Measured in terms of livability, Tennessee is a wealthy state . . . blessed by nature, a place and people with proud history, an abundance of energy and talent, and a strong sense of direction.

In preparing for the 21st Century, Tennesseans have clear goals: to have strong, safe, clean communities where children can grow up healthy, go to good schools and get good-paying jobs.

There are 3,000 places Tennesseans call home . . . country crossroads, small towns, growing cities and bustling urban centers . . . all sharing the pioneer spirit and volunteer tradition of the Andy Jacksons, Sam Houstons, Davy Crocketts, Alvin Yorks and Cordell Hulls of the past.

Tennessee's boundaries, from the mountains in the east, through gently rolling hills, to the Mississippi flatlands, enclose distinct geographic divisions encompassing a vibrant blend of cultures, crafts and natural resources.

From this diversity of land and people has grown a broad-based economy, born of strong leadership, nurtured in a solid agricultural base and flourishing in a large-scale commitment to increasing the high technology development of the Information Age in an aggressive and financially sound business climate.

Autumn sunrise photographed from Highway 68 just south of Grandview, Tenn. in Rhea County.
Photographed by Jed DeKalb
State Photographic Services

S7505-1

Tennessee Comprehensive Annual Financial Report
For The Year Ended June 30, 1983

LAMAR ALEXANDER, Governor

DEPARTMENT OF AUDIT
WILLIAM R. SNODGRASS, Comptroller of the Treasury
Division of State Audit
FRANK L. GREATHOUSE,
Director

DEPARTMENT OF FINANCE AND ADMINISTRATION
HUBERT L. McCULLOUGH, Commissioner
Division of Accounts
ROBERT L. BUCKHAM, Assistant Commissioner
for Accounting

Authorization No. 175; 1000 copies.

STATE OF TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1983

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Introduction

STATE OF TENNESSEE

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATE CAPITOL, NASHVILLE, TENNESSEE 37219

HUBERT L. McCULLOUGH
COMMISSIONER

December 21, 1983

The Honorable Lamar Alexander
Governor of the State of Tennessee

In accordance with Section 4-4-114, Tennessee Code Annotated, it is my pleasure to transmit to you the Comprehensive Annual Financial Report of the State of Tennessee for the year ended June 30, 1983. This report has been prepared by the State's Department of Finance and Administration. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the State. I believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the State's financial activity have been included.

Accounting System and Budgetary Control

The State's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when measurable and available and expenditures being recorded when services or goods are received and the liabilities incurred. Accounting records for expendable trust and agency funds are similarly maintained. The State's proprietary, nonexpendable trust, pension trust and college and university funds are accounted for on the accrual basis.

In developing and modifying the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1983.

The Reporting Entity and Its Services

The funds and entities related to the State of Tennessee included in our Comprehensive Annual Financial Report are controlled by or dependent on the State. Determination of "controlled by or dependent on" is based on criteria developed by the National Council on Governmental Accounting in their Statement 3, Defining the Governmental Reporting Entity. The criteria deal with existence as an organized entity; governmental character; and substantial autonomy. Based on these criteria the various funds and account groups (being all the funds and account groups of the State) shown in the Table of Contents are included in this report.

The State provides the full range of services contemplated by statute or character. These include education, health and social services, transportation, law, justice, public safety, recreation and resources development, public improvements and general administrative services.

General Governmental Functions

Revenues for general governmental functions totaled $3.4 billion in 1983, an increase of only 3% over 1982. Taxes again represented 60% of general revenues, as was the case last year. The amount of revenues from various sources and the changes from last year are shown below (expressed in thousands).

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1982
Taxes	$ 2,047,603	59.6%	$ 88,340
Licenses, fees and permits	47,601	1.4	2,318
Interest on investments	62,981	1.8	(8,262)
Federal	1,065,368	31.0	25,474
Departmental services	202,818	5.9	8,772
Other	10,148	.3	(3,086)
	$ 3,436,519	100.0%	$ 113,556

Despite improving national economic conditions, Tennessee's revenue highlights in 1983 were few. Sales tax collections, buoyed by operations of the 1982 World's Fair held in Knoxville, increased 5% (some $55.6 million) over last year. Investment earnings declined as interest rates moderated.

Expenditures for general governmental purposes totaled $3.1 billion in 1983, only a 2% increase over the previous year. Changes in expenditures by function from 1982 levels are presented in the following tabulation (expressed in thousands).

Function	Amount	Percent of Total	Increase (Decrease) from 1982
General government	$ 134,967	4.4%	$ (18,651)
Education	990,727	32.3	9,356
Health and social services	1,105,524	36.1	69,814
Law, justice and public safety	193,465	6.3	16,501
Recreation and resources development	77,842	2.5	6,811
Regulation of business and professions	16,643	.6	1,313
Transportation	427,695	14.0	(1,892)
Debt service	91,596	3.0	6,109
Capital outlay	25,580	.8	(15,700)
	$ 3,064,039	100.0%	$ 73,661

Management-directed curbs on spending kept expenditure growth to a minimum in 1983. The principal reason for the decrease in general government expenditures (with a corresponding increase in the health and social services area) was the transfer during the year of programs operated by the Community Services division in the Governor's office to the Department of Human Services. Similarly, vocational rehabilitation programs were transferred from the Department of Education to the Department of Human Services. Capital outlay expenditures declined to their lowest level in over a decade as the state postponed major construction projects pending a turnaround in the economy.

Ending fund balances for all governmental fund types increased $81 million to $399 million at June 30, 1983, an adequate level. Of this total, unreserved fund balances aggregated $28.1 million as compared to $38.7 million a year ago.

Debt Administration

Tennessee continues to receive excellent bond ratings from both Moody's Investors Service (Aaa) and Standard and Poor's Corporation (AA+), reflecting our long-standing record of sound financial management. Only one general obligation bond issue was sold by the state during the fiscal year. It amounted to $100 million and was sold in October 1982 at a favorable average interest rate of 8.3703%. As a result, general long-term debt increased from $539 million at June 30, 1982 to $583 million at June 30, 1983. The only other general obligation bond issue during the past five fiscal years ($71.4 million issued in August 1980) was sold at an average interest rate of 7.017%.

The ratio of net general long-term debt to assessed valuation and the amount of net debt per capita and per family are useful indicators of the state's debt position to citizens, investors and management. At June 30, 1983 these data were as follows:

	Amount	Ratio of Debt to Assessed Value	Debt per Capita	Debt per Family
Net General Long-Term Debt	$581,302,000	2.91%	$ 124.61	$448.60

Cash Management

In recent years the State Treasurer has pursued an aggressive cash management and investment program. One aspect of this which we believe is unique to Tennessee is our direct access into the Federal Reserve Wire System. Through the State Trust of Tennessee, all wire services in the federal system are available via a terminal located in the state's investment offices. This provides the state with unprecedented flexibility in investing and concentrating cash balances and pension fund assets. For the year ended June 30, 1983 over $20 billion in transactions were moved over the wire system.

Proprietary Funds

Combined operating revenues for the state's enterprise funds increased from $77 million in 1982 to $92 million in 1983. Combined operating expenses increased from $68 million to $86 million during the same period. Burgeoning operations by the Tennessee Housing Development Agency (THDA), in providing housing loans to lower and moderate income citizens, paced the 1983 enterprise fund activity ($78 million and $71 million in operating revenues and expenses, respectively). Outstanding enterprise fund bonds at June 30, 1983 totaled $725 million, consisting of $76 million in State Loan Program general obligation bonds and $649 million in THDA revenue bonds.

Combined operating results for the state's internal service funds generated little change from 1982 levels. Operating revenues and expenses for these cost-reimbursement agencies aggregated $40 million in 1983; 1982 amounts were $39 million. The principal internal service operations provide data processing services, motor pool vehicles and prison industry products to other state departments. Tennessee State School Bond Authority revenue refunding bonds of $53 million were outstanding at June 30, 1983 offset by investment securities of like amount.

College and University Funds

College and University current funds revenues increased 12% to $517 million in 1983. State appropriations to these institutions rose 7% to $365 million. Revenues received from student tuition and fees ($124 million, up 14%, reflecting fee increases) and auxiliary enterprises and hospitals ($194 million, up 10%) paced the current funds increment. Current funds expenditures also increased in 1983, some 10% to $855 million. Instruction expenditures ($313 million, up 8%) and auxiliary enterprises and hospitals expenditures ($170 million, up 9%) led the way. Student loans outstanding at June 30, 1983, primarily from federal government sources, totaled $36 million, down from $37 million in 1982. Total assets of the endowment and similar funds group rose 13% in 1983 to $48 million. Tennessee State School Bond Authority revenue bonds of $76 million were issued in April 1983 raising the total college and university revenue bonded indebtedness to $244 million at June 30, 1983. Enrollment increased from 105,000 to 106,000 students, university students declining by 600 to 85,000 and community college students increasing 1,400 to 21,000.

Pension Plan

Total assets of the state's pension trust fund reached $3.1 billion at June 30, 1983. The latest actuarial valuation of the plan, prepared as of June 30, 1983, indicates that the actuarially computed value of vested benefits exceeded net assets of the fund by $477 million. The actuarial report also notes that progress in funding continues to be made, the plan termination liability funding ratio for the entire system, including electing political subdivisions, increasing to 83.3% at June 30, 1983.

General Fixed Assets

The general fixed assets of the state are those fixed assets used in the performance of general governmental functions. They exclude the fixed assets of the Enterprise, Internal Service and College and University Funds. As of June 30, 1983 the state's general fixed assets amounted to $863 million. Since historical cost records for those items acquired or constructed prior to July 1, 1976 (some $367 million) are incomplete or not available, the best estimates of historical costs have been used for their valuation. We expect to complete an inventory of all state-owned land and buildings in 1984.

Independent Audit

State statutes require an annual audit of all fund types and account groups of the state. The accompanying financial statements have been examined by the Division of State Audit, Office of the Comptroller of the Treasury. Their examination was conducted in accordance with generally accepted auditing standards, and their opinion appears elsewhere herein.

Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the State of Tennessee for its Comprehensive Annual Financial Report for the year ended June 30, 1982. In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Conformance Program requirements, and we are submitting it to MFOA to determine its eligibility for another certificate.

Past Year's Operations and Future Prospects

In 1983 Tennessee's economy continued to be affected by the national recession. During the year, as revenues fell short of budget estimates, I asked the various state departments and agencies to collectively "set-aside" $67.1 million from their expenditure budgets in order to preserve fund balances. Although the set-aside goal was met, it remained necessary to reduce our revenue reserve as of June 30, 1983 from $31 million to $10 million.

In the coming year we will again be challenged to provide necessary government services for our citizens from the lowest per capita state tax burden in the southeast. Although Tennessee should benefit rapidly from the national economic recovery, your announced goals — to have strong, safe clean communities where children can grow up healthy, go to good schools and get good-paying jobs — will require additional tax revenues. The willingness and ability of our state to respond to and deal with these issues is our next test. I am confident that Tennessee will meet it.

Respectfully submitted,

Hubert L. McCullough

Hubert L. McCullough, Commissioner
Department of Finance and Administration

HLM/jr

STATE OF TENNESSEE

William R. Snodgrass
Comptroller

COMPTROLLER OF THE TREASURY

STATE CAPITOL
NASHVILLE, TENNESSEE 37219
PHONE (615) 741-2501

December 21, 1983

To the Members of the General Assembly
of the State of Tennessee
and
The Honorable Lamar Alexander, Governor
State of Tennessee

Ladies and Gentlemen:

In accordance with Section 4-3-304, Tennessee Code Annotated, transmitted herewith is the accountants' report on the Annual Financial Report of the State of Tennessee for the fiscal year ended June 30, 1983.

Respectfully,

W. R. Snodgrass
Comptroller of the Treasury

WRS/jr

Certificate of Conformance in Financial Reporting

Presented to

State of Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1982

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

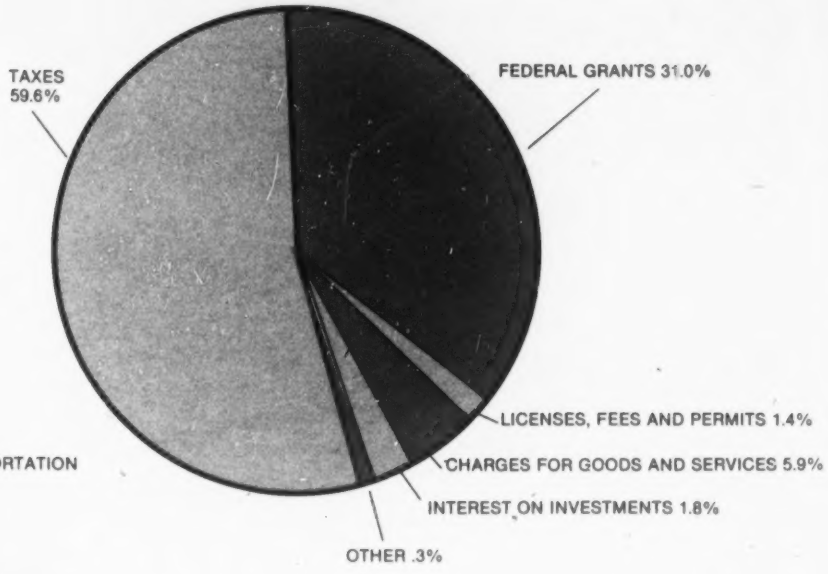
Carol L White
President

Jeffrey L. Esser
Executive Director

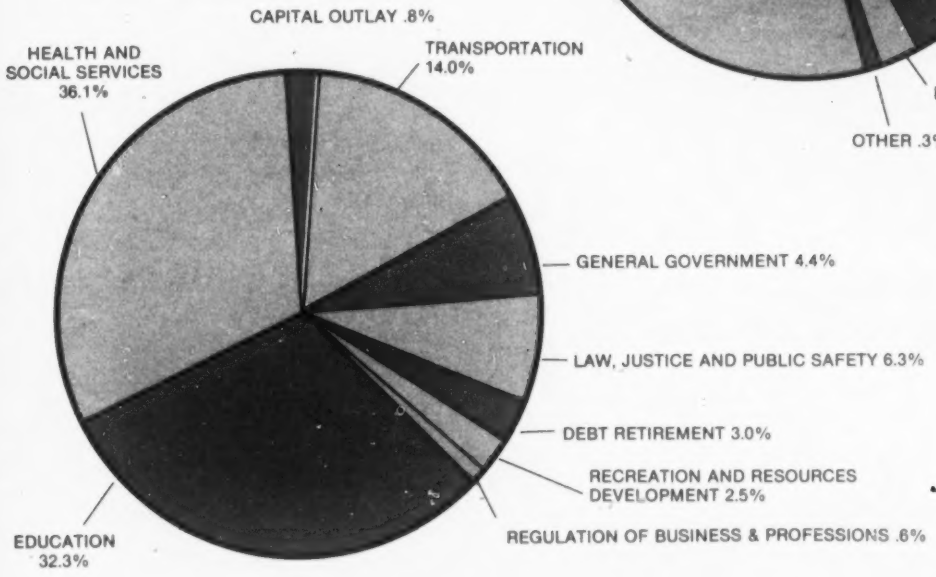
The State of Tennessee was awarded the Certificate of Conformance by the Municipal Finance Officers Association of the United States and Canada for its Annual Financial Report for the year ended June 30, 1982. Tennessee and Maryland are the only states to currently hold a valid Certificate of Conformance.

STATE OF TENNESSEE
GRAPHIC PRESENTATION OF REVENUES AND EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1983

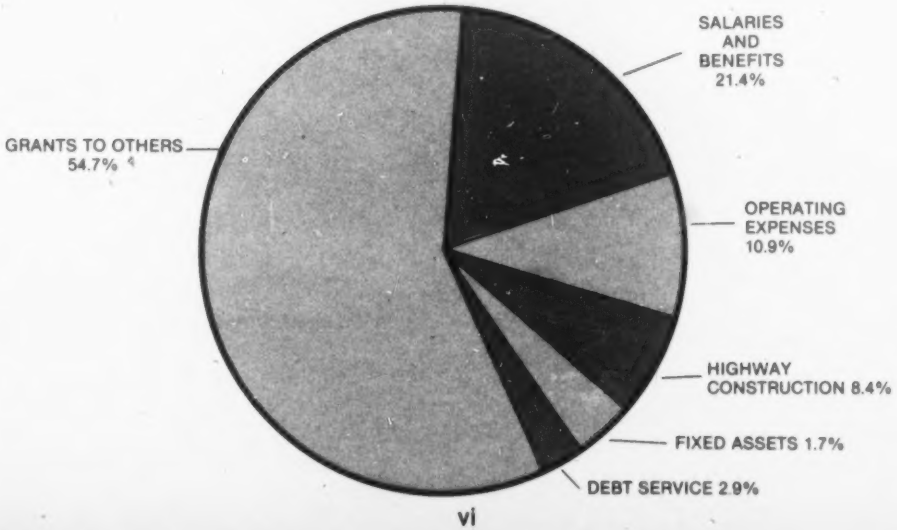
REVENUES BY SOURCE



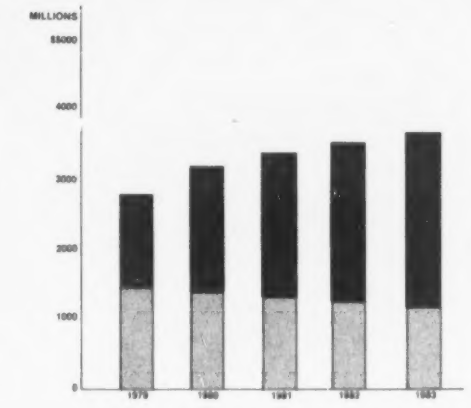
EXPENDITURES BY FUNCTION



EXPENDITURES BY OBJECT

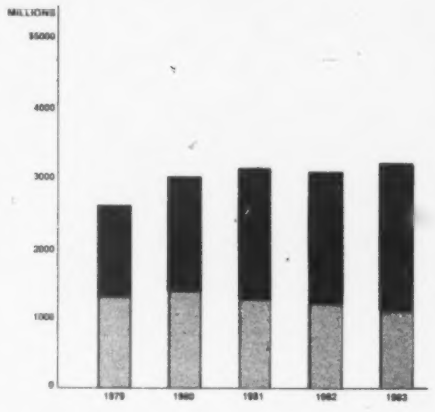


STATE OF TENNESSEE
REVENUES
ALL GOVERNMENTAL FUND TYPES
LAST FIVE YEARS



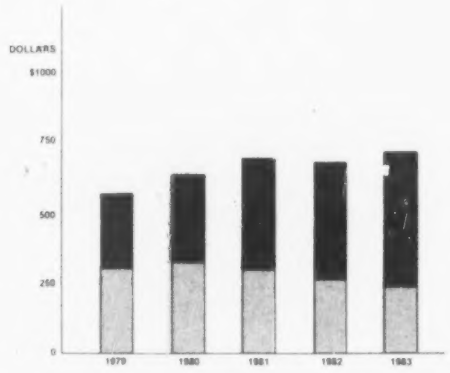
CURRENT DOLLARS	**$2,838**	**$3,123**	**$3,265**	**$3,323**	**$3,437**
CONSTANT DOLLARS (1967)	$1,453	$1,435	$1,322	$1,226	$1,191
PERCENT INCREASE OVER PRIOR YEAR IN CURRENT DOLLARS	10.3%	10.1%	4.5%	1.8%	3.4%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	2.4%	(1.2%)	(7.9%)	(7.7%)	(2.4%)

STATE OF TENNESSEE
EXPENDITURES
ALL GOVERNMENTAL TYPES
LAST FIVE YEARS



CURRENT DOLLARS	**$2,512**	**$2,890**	**$3,000**	**$2,990**	**$3,084**
CONSTANT DOLLARS (1967)	$1,286	$1,328	$1,214	$1,088	$1,062
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CURRENT DOLLARS	11.8%	15.0%	3.8%	(.3%)	2.5%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	3.9%	3.3%	(8.6%)	(9.6%)	(3.3%)

STATE OF TENNESSEE
PER CAPITA EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
LAST FIVE YEARS

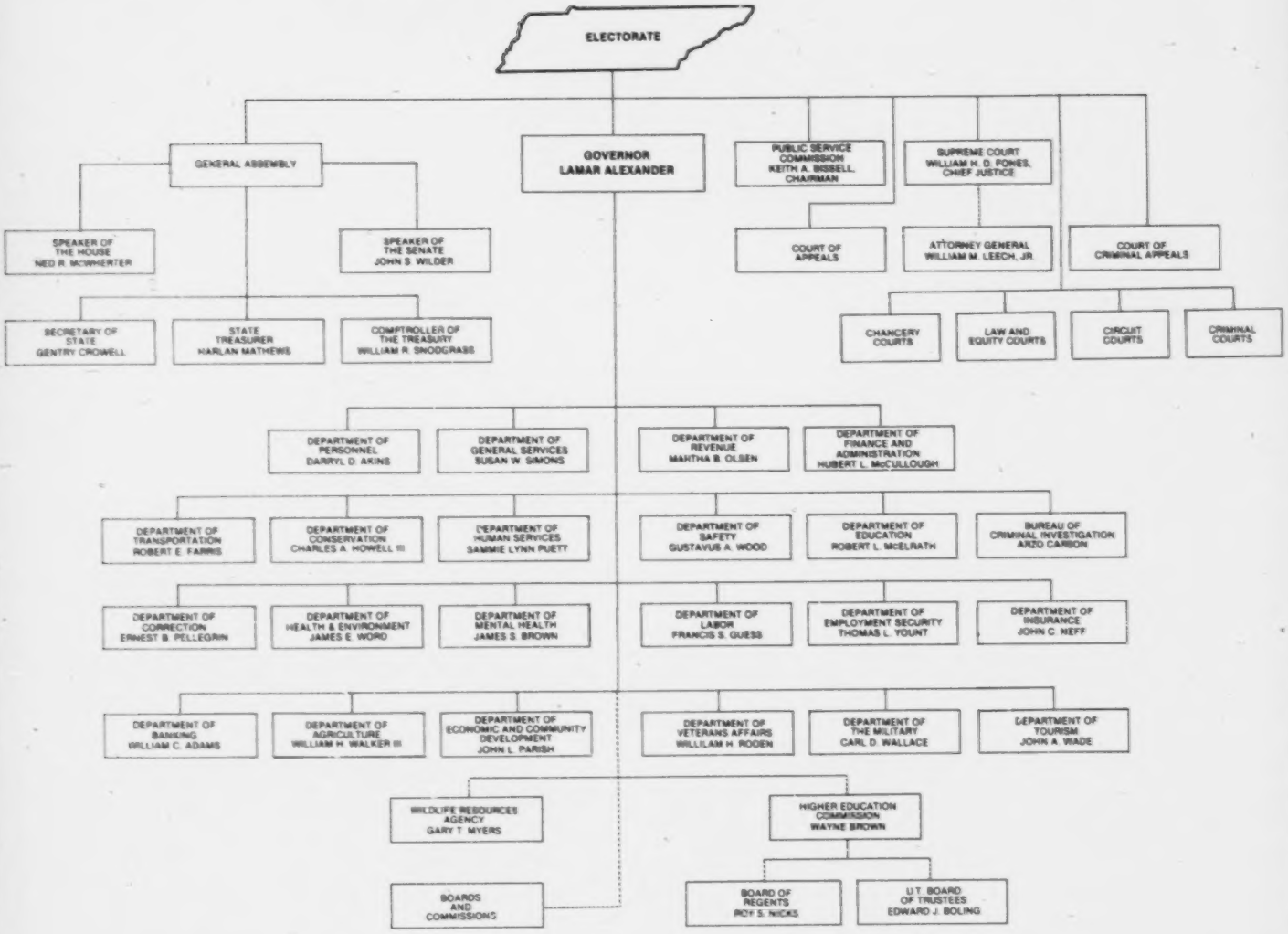


CURRENT DOLLARS	**$554**	**$629**	**$650**	**$645**	**$667**
CONSTANT DOLLARS (1967)	$284	$288	$263	$237	$229
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CURRENT DOLLARS	9.9%	13.4%	3.5%	(.8%)	1.9%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	2.2%	1.4%	(8.7%)	(9.9%)	(3.6%)

NOTE: EXPENDITURES EXPRESSED IN CONSTANT DOLLARS WERE DERIVED BY USING THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS.

BEST AVAILABLE COPY

STATE OF TENNESSEE
ORGANIZATION CHART
1983



General Purpose Financial Statements

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37219-5047
PHONE (615) 741-3697

December 9, 1983

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37219

Dear Mr. Snodgrass:

We have examined the combined financial statements of the State of Tennessee and the combining and individual financial statements of the funds and account groups of the State as of and for the year ended June 30, 1983 as listed in the foregoing table of contents. Our examination was made in accordance with generally accepted government auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in Notes 1 and 2 to the financial statements, the State of Tennessee is in the process of establishing appropriate records for certain general fixed assets. Because of a lack of detail records to support the amounts of certain general fixed assets recorded as of June 30, 1976, we were unable to satisfy ourselves as to the balances in general fixed assets; however, we were able to satisfy ourselves on the changes in general fixed assets since July 1, 1976.

In our opinion, except for the effect of the matter discussed in the preceding paragraph, the combined financial statements present fairly the financial position of the State of Tennessee at June 30, 1983 and the results of its operations and the changes in financial position of proprietary and similar trust fund types for the year then ended and the combining and individual financial statements of the funds and account groups present fairly the financial position of the individual funds of the State of Tennessee at June 30, 1983 and the results of their operations and the changes in financial position of the proprietary and similar trust funds for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The statistical and economic data, listed in the foregoing table of contents, were not audited by us and, accordingly, we do not express an opinion thereon.

Respectfully,

Frank L. Greathouse

Frank L. Greathouse, CPA, Director
Division of State Audit

FLG/jr

STATE OF TENNESSEE
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1983

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
CASH AND CASH EQUIVALENTS	$ 114,096	$ 265,597	$ 2,323	$ 140,747
CASH ON DEPOSIT WITH FISCAL AGENTS				
INVESTMENTS				
RECEIVABLES (Note 1)	84,793	58,712		1,502
INTERFUND RECEIVABLES (Note 2)	180	10,990		
INVENTORIES		7,357		
PREPAYMENTS			1	
LAND				
STRUCTURES AND IMPROVEMENTS				
MACHINERY AND EQUIPMENT				
LESS - ACCUMULATED DEPRECIATION				
CONSTRUCTION IN PROGRESS				
AMOUNT AVAILABLE IN DEBT SERVICE FUND				
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG - TERM OBLIGATIONS				
DEFERRED CHARGES AND OTHER				
TOTAL ASSETS	$ 199,069	$ 342,656	$ 2,324	$ 142,249
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
WARRANTS PAYABLE	$ 35,230	$ 14,022	$ 4	$ 844
ACCOUNTS PAYABLE AND ACCRUALS	114,149	46,452	177	4,068
INTERFUND PAYABLES (Note 2)	8,862	746		1,300
NOTES PAYABLE (Note 3)				46,140
BONDS PAYABLE (Note 3)				
CALL PREMIUMS PAYABLE				
LEASE OBLIGATIONS PAYABLE (Note 3)				
OTHER	294	14,708		286
TOTAL LIABILITIES	158,535	75,928	181	52,638
FUND EQUITY (Note 2):				
CONTRIBUTED CAPITAL				
INVESTMENT IN FIXED ASSETS				
RETAINED EARNINGS:				
RESERVED FOR BOND RETIREMENT				
UNRESERVED				
FUND BALANCES (Note 1):				
RESERVED FOR:				
RELATED ASSETS		7,357		
ENCUMBRANCES AND CONTRACTS	5,911	180,701		15,723
CONTINUING APPROPRIATIONS	10,498			
APPROPRIATION AND OTHER REQUIREMENTS				
OTHER SPECIFIC PURPOSES	7,809	69,055		73,888
UNRESERVED:				
DESIGNATED FOR REVENUE FLUCTUATIONS	10,000			
DESIGNATED FOR CLAIMS AGAINST THE STATE	3,000			
DESIGNATED FOR HIGHWAY CONSTRUCTION		9,615		
DESIGNATED FOR DEBT SERVICE			2,143	
DESIGNATED FOR TRUST PURPOSES				
DESIGNATED FOR COLLEGES AND UNIVERSITIES				
DESIGNATED FOR OTHER SPECIFIC PURPOSES	2,925			
UNDESIGNATED	391			
TOTAL FUND EQUITY	40,534	266,728	2,143	89,611
TOTAL LIABILITIES AND FUND EQUITY	$ 199,069	$ 342,656	$ 2,324	$ 142,249

See accompanying Notes to the Financial Statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS (Notes 1, 2)	GENERAL LONG-TERM OBLIGATIONS (Note 3)	COLLEGE AND UNIVERSITY	JUNE 30, 1983	JUNE 30, 1982
$ 204,592	$ 75,292	$ 365,635			$ 180,097	$ 1,348,379	$ 1,310,185
	4,208	42,644			30,599	77,451	102,605
76,010	52,417	2,803,321			43,752	2,975,500	2,316,571
612,551	183	133,901			97,281	988,923	960,948
		10,701			7,465	29,336	22,586
6	3,905				15,958	27,226	30,262
	18					19	37
	1,285		$ 50,544		47,925	99,754	97,096
	12,073		648,451		946,232	1,606,756	1,516,400
521	37,461		157,966		321,682	517,630	529,058
(336)	(23,696)					(24,032)	(22,230)
			5,923		25,573	31,496	52,807
				$ 2,143		2,143	2,436
				630,771		630,771	578,181
11,730	1,320				3,704	16,754	15,051
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$ 985	$ 931	$ 7,576				$ 59,592	$ 61,348
33,440	8,780	143,443		$ 49,469	$ 59,886	459,864	448,325
17	74	12,386			5,951	29,336	22,586
92,250	60,232				2,104	200,726	274,524
725,350	52,985			583,445	243,881	1,605,661	1,353,509
	1,533					1,533	1,533
					16,192	16,192	
3,327	216	201,059			31,360	251,250	168,079
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
593	33,989					34,582	37,243
			$ 862,884		1,080,569	1,943,453	1,934,841
11,496						11,496	15,646
37,616	5,726					43,342	31,836
					39,682	47,039	43,816
					6,647	208,982	159,670
						10,498	7,900
							2,000
		2,993,535			157,309	3,301,596	2,850,166
						10,000	29,000
						3,000	3,000
						9,615	12,509
						2,143	2,436
		(1,797)			3,448	1,651	7,811
					73,239	73,239	54,435
						2,925	
						391	(10,220)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	JUNE 30, 1983	JUNE 30, 1982
REVENUES:							
TAXES	$1,712,382	$ 232,804	$ 102,417		$ 278,004	$ 2,325,607	$ 2,167,216
LICENSES, FEES AND PERMITS	29,516	18,085				47,601	45,283
INTEREST ON INVESTMENTS	62,981				7,288	70,269	87,810
FEDERAL	863,851	197,437	92	$ 3,988	133,589	1,198,957	1,090,474
DEPARTMENTAL SERVICES	191,865	10,325		628		202,818	194,046
CONTRIBUTIONS					62,183	62,183	45,813
OTHER	4,186	5,962			2,210	12,358	15,386
TOTAL REVENUES	2,864,781	464,613	102,509	4,616	483,274	3,919,793	3,646,028
EXPENDITURES:							
CURRENT:							
GENERAL GOVERNMENT	129,279	5,688			71,395	206,362	209,149
EDUCATION	989,989	738				990,727	981,371
HEALTH AND SOCIAL SERVICES	1,105,191	333			458,649	1,564,173	1,380,532
LAW, JUSTICE AND PUBLIC SAFETY	193,347	118				193,465	176,964
RECREATION AND RESOURCES DEVELOPMENT	64,691	13,151				77,842	71,031
REGULATION OF BUSINESS AND PROFESSIONS	16,643					16,643	15,330
TRANSPORTATION		427,695				427,695	429,587
DEBT SERVICE			91,596			91,596	85,487
CAPITAL OUTLAY				25,580		25,580	41,280
TOTAL EXPENDITURES	2,499,140	447,723	91,596	25,580	530,044	3,594,083	3,390,731
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	365,641	16,890	10,913	(20,964)	(46,770)	325,710	255,297
OTHER FINANCING SOURCES (USES):							
PROCEEDS FROM BOND SALE				100,000		100,000	
OPERATING TRANSFERS IN		14,506	861	21,453		36,820	22,080
OPERATING TRANSFERS OUT	(383,225)	(56)	(24,885)	(21,026)		(429,192)	(397,738)
TOTAL OTHER FINANCING SOURCES (USES)	(383,225)	14,450	(24,024)	100,427		(292,372)	(375,658)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(17,584)	31,340	(13,111)	79,463	(46,770)	33,338	(120,361)
FUND BALANCES, JULY 1 (Note 2)	55,012	237,594	15,254	10,148	138,148	456,156	576,170
EQUITY TRANSFERS, NET	3,106	(2,206)				900	347
FUND BALANCES, JUNE 30 (Note 2)	$ 40,534	$ 266,728	$ 2,143	$ 89,611	$ 91,378	$ 490,394	$ 456,156

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1983	JUNE 30, 1982
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 1,796	$ 37,464			$ 39,260	$ 34,708
CONTRIBUTIONS				$ 341,960	341,960	343,341
INVESTMENT INCOME	69,033	2,823	$ 806	272,632	345,294	283,002
INTERGOVERNMENTAL	21,556		1,639		23,195	20,808
OTHER		30	1,019		1,049	1,387
TOTAL OPERATING REVENUES	92,385	40,317	3,464	614,592	750,758	683,246
OPERATING EXPENSES:						
PERSONAL SERVICES	3,385	10,484			13,869	12,674
CONTRACTUAL SERVICES	1,950	3,676		13,203	18,829	18,180
MATERIALS AND SUPPLIES	461	12,983			13,444	12,785
RENTALS AND INSURANCE	94	4,301			4,395	4,564
GRANTS AND SUBSIDIES	12,735		7,672		20,407	19,059
INTEREST	66,328	3,008			69,336	53,764
DEPRECIATION AND AMORTIZATION	427	4,741			5,168	4,664
BENEFITS				154,443	154,443	139,377
REFUNDS				20,708	20,708	24,193
OTHER	161	516	1,031		1,708	1,499
TOTAL OPERATING EXPENSES	85,541	39,709	8,703	188,354	323,307	290,759
OPERATING INCOME (LOSS)	6,844	608	(5,239)	426,238	428,451	392,487
OPERATING TRANSFERS IN	235	23	6,179	56	6,493	7,330
NET INCOME/CHANGE IN RETAINED EARNINGS	7,079	631	940	426,294	434,944	399,817
OTHER CHANGES IN FUND EQUITY:						
EQUITY TRANSFERS OUT	(900)				(900)	(347)
CONTRIBUTED FIXED ASSETS		92			92	13,122
LOSS ON DISPOSAL OF DISCONTINUED OPERATIONS	(466)	(1,741)			(2,207)	(316)
NET CHANGE IN FUND EQUITY	5,713	(1,018)	940	426,294	431,929	412,276
FUND EQUITY, JULY 1	43,992	40,733	12,891	2,460,235	2,557,851	2,145,575
FUND EQUITY, JUNE 30	$ 49,705	$ 39,715	$ 13,831	$ 2,886,529	$ 2,989,780	$ 2,557,851

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1983	JUNE 30, 1982
SOURCES OF WORKING CAPITAL:						
OPERATIONS:						
NET INCOME	$ 7,079	$ 631	$ 940	$ 426,294	$ 434,944	$ 399,817
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	427	4,741			5,168	4,664
WORKING CAPITAL PROVIDED BY OPERATIONS	7,506	5,372	940	426,294	440,112	404,481
PROCEEDS FROM SALE OF BONDS	150,000				150,000	50,000
DISPOSAL OF MACHINERY AND EQUIPMENT	56	1,416			1,472	803
TOTAL SOURCES OF WORKING CAPITAL	**157,562**	**6,788**	**940**	**426,294**	**591,584**	**455,284**
USES OF WORKING CAPITAL:						
PURCHASE OF LONG-TERM INVESTMENTS	23,998	78			24,076	7,870
INCREASE IN NONCURRENT RECEIVABLES	43,475				43,475	52,177
INCREASE IN DEFERRED CHARGES	2,593				2,593	943
ACQUISITION OF FIXED ASSETS	23	5,470			5,493	6,942
DECREASE IN LONG-TERM DEBT	15,590				15,590	13,180
EQUITY TRANSFER OUT	900				900	347
LOSS ON DISPOSAL OF DISCONTINUED OPERATIONS	466	1,741			2,207	316
TOTAL USES OF WORKING CAPITAL	**87,045**	**7,289**			**94,334**	**81,775**
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 70,517	$ (501)	$ 940	$ 426,294	$ 497,250	$ 373,509
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
CASH AND CASH EQUIVALENTS	$ 72,234	$ 61,814	$ 1,527	$ (123,378)	$ 12,197	$ 58,462
CASH ON DEPOSIT WITH FISCAL AGENT		(2,810)			(2,810)	6,656
INVESTMENTS				630,947	630,947	347,347
RECEIVABLES	6,329	(136)	(591)	8,021	13,623	15,727
INTERFUND RECEIVABLES				(574)	(574)	(855)
INVENTORIES	(312)	(2,781)			(3,093)	2,840
PREPAID EXPENSES		(17)			(17)	(44)
WARRANTS PAYABLE	66	(249)	139	213	169	12,655
ACCOUNTS PAYABLE AND ACCRUALS	(2,664)	3,927	(135)	(17,120)	(15,992)	(5,858)
INTERFUND PAYABLES	77	2			79	(74)
NOTES PAYABLE	(1,575)	(60,232)			(61,807)	(40,843)
CURRENT PORTION OF LONG-TERM DEBT	(2,410)				(2,410)	55,980
OTHER	(1,228)	(19)		(71,815)	(73,062)	(78,484)
NET INCREASE (DECREASE) IN WORKING CAPITAL	**$ 70,517**	**$ (501)**	**$ 940**	**$ 426,294**	**$ 497,250**	**$ 373,509**

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	CURRENT FUNDS	FIDUCIARY FUNDS	PLANT FUNDS	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED JUNE 30, 1983	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED JUNE 30, 1982
REVENUES:					
TUITION AND FEES	$ 124,163		$ 4,306	$ 128,469	$ 113,379
FEDERAL APPROPRIATIONS, GRANTS AND CONTRACTS	108,574	$ 1,474	2,222	112,270	95,070
STATE GRANTS AND CONTRACTS (Note 1)	9,042			9,042	9,207
PRIVATE GIFTS, GRANTS AND CONTRACTS	30,681	3,272	13,048	47,001	38,224
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	22,330			22,330	17,552
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	193,806			193,806	176,643
OTHER	28,817	4,197	9,857	42,871	38,856
TOTAL REVENUES	**517,413**	**8,943**	**29,433**	**555,789**	**488,931**
EXPENDITURES:					
INSTRUCTION	312,527			312,527	289,030
RESEARCH	50,377			50,377	50,889
PUBLIC SERVICE	44,634			44,634	41,857
ACADEMIC SUPPORT	60,756			60,756	56,471
STUDENT SERVICES	44,592	222		44,814	39,794
INSTITUTIONAL SUPPORT	69,279			69,279	59,863
OPERATION AND MAINTENANCE OF PLANT	62,302			62,302	59,842
SCHOLARSHIPS AND LOAN CANCELLATIONS	40,418	3,193		43,611	22,256
AUXILIARY ENTERPRISES AND HOSPITALS	169,934			169,934	156,090
INTEREST PAYMENTS			11,442	11,442	11,212
OTHER		1,078	589	1,667	2,890
TOTAL EXPENDITURES	**854,819**	**4,493**	**12,031**	**871,343**	**790,194**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(337,406)	4,450	17,402	(315,554)	(301,263)
OTHER INCREASES (DECREASES) IN FUND EQUITY:					
OPERATING TRANSFERS IN (OUT)	343,241	200	42,438	385,879	368,328
CAPITALIZED CURRENT FUND EXPENDITURES			40,885	40,885	29,955
DISPOSAL OF PLANT FACILITIES			(39,980)	(39,980)	(4,128)
MISCELLANEOUS (Note 1)	1,115			1,115	62,780
TOTAL OTHER INCREASES (DECREASES) IN FUND EQUITY	344,356	200	43,343	387,899	456,935
EXCESS OF REVENUES AND OTHER INCREASES OVER EXPENDITURES AND OTHER DECREASES	**6,950**	**4,650**	**60,745**	**72,345**	**155,672**
FUND EQUITY, JULY 1 (Note 2)	86,511	83,315	1,118,723	1,288,549	1,132,877
FUND EQUITY, JUNE 30	**$ 93,461**	**$ 87,965**	**$ 1,179,468**	**$ 1,360,894**	**$ 1,288,549**

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND AND ALL SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 71,128	$ 71,128	
ADD - ENCUMBRANCE AND CONTRACT RESERVES REAPPROPRIATED	4,275	4,275	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	75,403	75,403	
REVENUES:			
TAXES	1,708,312	1,713,683	$ 5,371
LICENSES, FEES AND PERMITS	29,552	29,516	(36)
INTEREST ON INVESTMENTS	59,500	62,981	3,481
FEDERAL	1,038,955	898,528	(140,427)
DEPARTMENTAL SERVICES	199,001	191,757	(7,244)
OTHER	2,475	4,186	1,711
OTHER FINANCING SOURCES - TRANSFERS IN	3,106	3,106	
TOTAL SOURCES OF FINANCIAL RESOURCES	**3,116,304**	**2,979,160**	**(137,144)**
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
LEGISLATIVE	8,356	7,236	1,120
SECRETARY OF STATE	8,341	7,784	557
COMPTROLLER	21,074	17,451	3,623
TREASURER	8,196	7,591	605
PUBLIC SERVICE COMMISSION			
GOVERNOR	7,095	6,828	267
COMMISSIONS	27,600	24,135	3,465
FINANCE AND ADMINISTRATION	4,339	3,674	665
PERSONNEL	3,607	3,235	372
GENERAL SERVICES	14,791	13,102	1,689
REVENUE	29,033	27,312	1,721
OTHER GENERAL GOVERNMENT	14,801	11,997	2,804
EDUCATION	1,028,879	990,180	38,699
VETERANS AFFAIRS	909	852	57
EMPLOYMENT SECURITY	92,160	60,558	31,602
MENTAL HEALTH AND MENTAL RETARDATION	182,332	170,531	11,801
PUBLIC HEALTH	651,644	625,562	26,082
HUMAN SERVICES	317,658	300,232	17,426
JUDICIAL	34,369	33,520	849
CORRECTION	128,077	117,315	10,762
MILITARY	14,243	11,207	3,036
BUREAU OF CRIMINAL INVESTIGATION	5,799	5,547	252
SAFETY	32,867	29,045	3,822
AGRICULTURE	8,941	8,515	426
TOURIST DEVELOPMENT	4,356	3,688	668
CONSERVATION	48,533	37,684	10,849
WILDLIFE RESOURCES			
ECONOMIC AND COMMUNITY DEVELOPMENT	71,549	15,462	56,087
INSURANCE	11,409	10,433	976
BANKING	2,537	2,524	13
LABOR	5,021	3,725	1,296
TRANSPORTATION			
OTHER FINANCING USES - TRANSFERS OUT	393,837	383,225	10,612
TOTAL USES OF FINANCIAL RESOURCES	**3,182,353**	**2,940,150**	**242,203**
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	**$ (66,049)**	**$ 39,010**	**$ 105,059**

See accompanying Notes to the Financial Statements.

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 30,511	$ 30,511		$ 101,639	$ 101,639	
232,759	232,759		237,034	237,034	
263,270	263,270		338,673	338,673	
235,288	232,804	$ (2,484)	1,943,600	1,946,487	$ 2,887
14,548	18,085	3,537	44,100	47,601	3,501
			59,500	62,981	3,481
185,881	183,758	(2,123)	1,224,836	1,082,286	(142,550)
14,252	16,988	2,736	213,253	208,745	(4,508)
4,300	5,962	1,662	6,775	10,148	3,373
14,506	14,506		17,612	17,612	
732,045	735,373	3,328	3,848,349	3,714,533	(133,816)
			8,356	7,236	1,120
			8,341	7,784	557
			21,074	17,451	3,623
1,625	1,402	223	9,821	8,993	828
4,292	4,292		4,292	4,292	
			7,095	6,828	267
			27,600	24,135	3,465
			4,339	3,674	665
			3,607	3,235	372
			14,791	13,102	1,689
			29,033	27,312	1,721
			14,801	11,997	2,804
822	738	84	1,029,701	990,918	38,783
			909	852	57
			92,160	60,558	31,602
			182,332	170,531	11,801
1,361	333	1,028	653,005	625,895	27,110
			317,658	300,232	17,426
			34,369	33,520	849
			128,077	117,315	10,762
			14,243	11,207	3,036
			5,799	5,547	252
246	118	128	33,113	29,163	3,950
			8,941	8,515	426
			4,356	3,688	668
			48,533	37,684	10,849
13,467	13,208	259	13,467	13,208	259
			71,549	15,462	56,087
			11,409	10,433	976
			2,537	2,524	13
			5,021	3,725	1,296
696,120	684,143	11,977	696,120	684,143	11,977
2,262	2,262		396,099	385,487	10,612
720,195	706,496	13,699	3,902,548	3,646,946	255,902
$ 11,850	$ 28,877	$ 17,027	$ (54,199)	$ 67,587	$ 122,086

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the National Council on Governmental Accounting and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. The financial statements for the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants in Audits of Colleges and Universities. The accompanying statements include all fund types and account groups of the various boards, commissions, agencies, authorities, colleges and universities of the state. Certain amounts presented for the preceding year have been reclassified for comparative purposes.

B. Fund Structure and Basis of Accounting - The accompanying financial statements are structured into four categories of funds and a fifth type of accounting entity, account groups. The fund categories include governmental funds, proprietary funds, fiduciary funds and college and university funds. Account groups are presented for general fixed assets and general long-term obligations.

The state's governmental funds include:

1. the General Fund - used to account for all financial transactions not accounted for in another fund;
2. the Special Revenue Funds - used to account for specific revenues earmarked to finance particular programs and activities;
3. the Debt Service Fund - used to account for the payment of principal and interest on general long-term debt; and
4. the Capital Projects Fund - used to account for the acquisition or construction of all major governmental general fixed assets.

All of the governmental funds are accounted for on the modified accrual basis of accounting. In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded at the time liabilities are incurred except:

a. Inventories generally are considered expenditures at acquisition;
b. Prepayments usually are not recorded; and
c. Interest on long-term debt is recorded when due.

Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year end are reported as reservations of fund balance for subsequent year expenditure.

The proprietary funds include:

1. the Enterprise Funds - used to account for the operations of self-sustaining state agencies rendering service to the general public on a user charge basis; and
2. the Internal Service Funds - used to account for the operations of self-sustaining state agencies rendering services to other state agencies on a cost reimbursement basis.

The proprietary funds are accounted for on the accrual basis of accounting.

The fiduciary funds include the Trust and Agency Funds which are used to account for assets held by the state as trustee or agent. Nonexpendable and Pension Trust Funds are accounted for on the accrual basis of accounting. Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting.

The college and university funds include:

1. Current Funds - used to account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally-restricted purposes;
2. Fiduciary Funds - used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and
3. Plant Funds - used to account for institutional property acquisition, renewal, replacement, debt service and investment.

The college and university funds are accounted for on the accrual basis of accounting.

The account group for general fixed assets is maintained to account for all fixed assets acquired or constructed for use by the state, other than those accounted for in the proprietary, fiduciary and college and university funds. The account group for general long-term obligations is maintained to account for general obligation bonds outstanding and accrued annual and compensatory leave, not otherwise recorded in proprietary, fiduciary and college and university funds.

C. Budgetary Process - Legislation requires the Governor to present his proposed budget to the General Assembly at the beginning of each annual session. The General Assembly enacts the budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the state's financial plan for the coming year.

Budgetary control is maintained at the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. Only the legislature, however, may transfer appropriations between departments.

Unencumbered appropriations lapse at the end of each fiscal year. In order to provide sufficient funding for several programs during the year (primarily Department of Transportation), supplemental appropriations of $4.6 million were required.

Since the state's annual budget is prepared principally on the cash basis, which basis differs from generally accepted accounting principles (GAAP), actual amounts in the accompanying budgetary comparison statement are presented on the budgetary basis. A reconciliation of the differences between the budgetary and GAAP bases is presented in Note 2. The budgetary comparison statement includes the General Fund and all Special Revenue Funds.

D. Cash and Cash Equivalents - In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements and U. S. Treasury bills. These investments are stated at cost which at June 30, 1983 approximated market. Collateral, as required by law, is pledged by the various banks to guarantee state funds on deposit with them. In addition, the state is custodian for other securities, not reported in the accompanying financial statements, which collateralize contractor/vendor performance.

E. Investments - This classification includes long-term investments, principally the Pension Trust Fund portfolio, which are stated at cost or amortized cost aggregating $2.98 billion. At June 30, 1983 the market value of these investments approximated $2.93 billion. Debt securities included in this classification are expected to be held to maturity and redeemed at face value.

F. Receivables - Receivables in the state's governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned. Since few governmental fund revenues are susceptible to accrual prior to receipt, most taxes, licenses, fees, permits and similar revenues are recognized on the cash basis. Certain Trust Fund receivables of $65 million, representing taxes and erroneous benefit payments, have been reduced by a $14 million allowance for uncollectibles. Receivables in all other funds have arisen in the ordinary course of business. College and University receivables of $110 million have been reduced by a $13 million uncollectible allowance.

G. Interfund Transactions - The state basically has three types of interfund transactions, as follows:

1. Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.
2. Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.
3. Equity contributions. These are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

The composition of the state's interfund receivables and payables at June 30, 1983 is presented in Note 2.

H. Inventories - Inventories of materials and supplies are determined by physical count and are valued at the lower of cost (principally average cost) or market.

I. Fixed Assets and Depreciation - Governmental general fixed assets acquired or constructed since June 30, 1976 are stated at cost in the General Fixed Assets Account Group. For general fixed assets acquired or constructed prior to that date, the best estimates of historical costs have been reported since older cost records are incomplete or not available. Interest during construction is not capitalized. Also, certain public domain fixed assets (including highways, bridges, highway lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets. While it is probable that all state-owned land is not recorded, the omissions are not deemed to be material. The development of a computerized real property management system was completed subsequent to June 30, 1983. An inventory of state land and buildings, currently in progress, is expected to be completed in 1984.

Enterprise and Internal Service Fund fixed assets are stated at cost. They are being depreciated principally on a straight-line basis over estimated useful lives ranging from 20 to 50 years for Structures and Improvements and 5 to 10 years for Machinery and Equipment. Certain state land and buildings, headquartering several proprietary operations, are reported in the General Fixed Assets Account Group at estimated historical cost as described above. Because of the advanced age of the buildings involved, the omission of these fixed assets and related depreciation is not deemed material to financial position or results of operations of the applicable Enterprise and Internal Service Funds.

Generally, College and University Fund fixed assets are stated at cost and are not depreciated. Because of the magnitude of library holdings, however, it has been the state's policy to value library books at a standard amount per volume, currently $20, which approximates cost.

A statement of changes in general fixed assets for the year ended June 30, 1983 is presented in Note 2.

J. Fund Balance Reserves and Designations - The state's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure or (2) legally segregated for a specific future use. In the accompanying Combined Balance Sheet, reserves for related assets such as inventories, petty cash and receivables are examples of the former. Reserves for encumbrances, contracts, continuing appropriations and other specific purposes are examples of the latter.

A summary of the nature and purpose of major reserves by fund type at June 30, 1983 follows (expressed in thousands).

Reserved For	General	Special Revenue	Capital Projects	Trust and Agency	College and University
Continuing Appropriations:					
Major Maintenance Projects	$ 4,631				
Special Education Programs	3,581				
Other Non-Lapsing Appropriations	2,286				
	$10,498				
Other Specific Purposes:					
Casualty Losses	$ 3,500				
Capital Outlay and Bond Cancellation			$ 73,888		$ 47,104
Highway Construction		$ 57,175			
Wildlife Resources Program		9,086			
Unemployment Benefits				$ 81,360	
Pension Benefits				2,886,529	
Restricted Gifts, Grants and Contracts					109,158
Group Insurance Benefits				16,403	
Student Loan Program				5,937	
Property Reappraisal Program				3,306	
Civil Defense Program	1,773				
Other Non-Lapsing and Special Revenue Programs	2,536	2,794			1,047
Totals	$ 7,809	$ 69,055	$ 73,888	$2,993,535	$ 157,309

The state's fund balance designations reflect tentative plans for future use of financial resources. The General Fund designation for revenue fluctuations has been established as protection in the event of future revenue shortfalls or expenditure overruns. The designation for claims against the state is for general contingencies. The designation for other specific purposes represents federal revenue sharing and other funds received in June and planned for use in financing expenditures in the 1983-84 fiscal year.

K. Totals - Memorandum Only - The "Totals - Memorandum Only" column represents an aggregation of the individual combined financial statements. The totals column is presented for overview informational purposes and does not represent consolidated financial information.

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Individual Fund Deficits - Although the following six individual funds have deficit retained earnings/fund balances as indicated at June 30, 1983, none of them have negative fund equity positions at that date:

Enterprise Funds		Internal Service Funds		Trust and Agency Fund	College and Univ. Fund
Fed. Prop. Utiliz.	St. Emp. Cafeteria	Bldg. Mngmt.	Tn. St. Indust.	Employee Grp. Ins.	Curr. Aux. Ent./Hosp.
$ (24)	$ (167)	$ (235)	$ (343)	$ (6,385)	$ (5,476)

Increases in charges for products and services/premium rates are expected to eliminate these deficits in 1984.

B. Budgetary Basis vs. GAAP - The accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Special Revenue Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of the two is presented below (expressed in thousands).

	General Fund	All Special Revenue Funds
Fund Balances (Budgetary Basis), June 30, 1983	$ 39,010	$ 28,877
Add (Deduct):		
Accrued revenues	(2,200)	15,551
Accrued expenditures	(2,492)	(27,579)
Reserve for encumbrances and contracts	5,911	181,301
Other fund balance reserves	305	69,178
Fund Balances (GAAP Basis), June 30, 1983	$ 40,534	$ 266,728

There were no expenditures in excess of appropriations in the state's individual governmental funds for the year.

C. General Fixed Assets - A statement of changes in general fixed assets for the year ended June 30, 1983 is shown below (expressed in thousands).

	Land	Structures and Improvements	Machinery and Equipment	Construction in Progress	Totals
Balance, July 1, 1982	$47,546	$ 622,373	$ 189,032	$ 20,582	$ 879,533
Additions	2,998	40,369	16,264	14,095	73,726
Deductions		(14,291)	(47,330)	(28,754)	(90,375)
Balance, June 30, 1983	$50,544	$ 648,451	$ 157,966	$ 5,923	$ 862,884
Investment in General Fixed Assets:					
Prior to July 1, 1976	$35,567	$ 296,316	$ 55,023		$ 386,906
Subsequent to June 30, 1976	14,977	352,135	102,943	$ 5,923	475,978
Balance, June 30, 1983	$50,544	$ 648,451	$ 157,966	$ 5,923	$ 862,884

As indicated, approximately 55% of the state's investment in general fixed assets has occurred subsequent to June 30, 1976. As previously stated, records of general fixed assets acquired prior to that time are either incomplete or not available.

D. Fund Equity Restatement - During fiscal year 1983 the state made several changes in accounting and reporting in order to more closely conform with generally accepted accounting principles. Changes included (1) the reporting of corporate excise tax refunds as reductions of general tax revenue when known rather than when paid; (2) the reclassification of the Employment Security Fund from a Special Revenue Fund to an Expendable Trust Fund; (3) the reporting of unemployment insurance premiums as trust fund revenue on the accrual basis rather than when collected; and (4) the reporting of college and university annual and compensatory leave as expenditures when leave is earned rather than when it is paid.

These changes have been reported in the accompanying financial statements by restating beginning fund equity as shown below (expressed in thousands). Corresponding restatement of 1982 amounts likewise has been effected to reflect the retroactive application of the adjustments.

	General Fund	Special Revenue Funds	Trust and Agency Funds	College and University Funds	All Fund Types and Account Groups Totals (Memorandum Only)
Fund Equity as previously reported, June 30, 1982	$ 57,012	$304,712	$ 2,489,056	$ 1,309,621	$5,150,061
Accrual of excise tax refunds	(2,000)				(2,000)
Reclassification of Employment Security Fund		(67,118)	67,118		
Accrual of unemployment insurance premiums			55,100		55,100
Accrual of annual and compensatory leave				(21,072)	(21,072)
Fund Equity as restated, June 30, 1982	$ 55,012	$237,594	$ 2,611,274	$ 1,288,549	$5,182,089

A summary of the effect on revenues and expenditures of the foregoing accrual-based changes for 1982 and 1983 follows (expressed in thousands).

	General Fund	Trust and Agency Funds	College and University Funds
Increase (decrease) in previously reported fund balances, June 30, 1981	$ (1,700)	$ 40,200	$ (19,962)
Increase (decrease) in 1982 revenues	(300)	14,900	
(Increase) in 1982 expenditures			(1,110)
Increase (decrease) in previously reported fund balances, June 30, 1982	(2,000)	55,100	(21,072)
(Decrease) in 1983 revenues	(1,300)	(9,548)	
(Increase) in 1983 expenditures			(1,945)
Increase (decrease) in fund balances, June 30, 1983	$ (3,300)	$ 45,552	$ (23,017)

In addition to the above fund equity restatements, the General Long-term Obligations Account Group at June 30, 1982 has been restated to include a $41.5 million liability for accrued annual and compensatory leave with an offsetting addition to the amount to be provided for retirement of long-term obligations.

E. Segment Information - Segment financial information for the state's Enterprise Funds for the year ended June 30, 1983 is presented below (expressed in thousands).

	Housing Develop. Agency	Local Develop. Authority	State Loan Program	Housing Rehab. Corp.	Federal Property Utiliz.	State Employ. Cafeteria	A. P. Mills Indust.	Totals
Revenues	$ 78,059	$ 7,689	$ 4,933	$ 116	$ 780	$ 632	$ 176	$ 92,385
Expenses	70,754	8,427	4,550		771	674	365	85,541
Operating Income (Loss)	7,305	(738)	383	116	9	(42)	(189)	6,844
Operating Transfers In							235	235
Net Income (Loss)	$ 7,305	$ (738)	$ 383	$ 116	$ 9	$ (42)	$ 46	$ 7,079
Net Working Capital	$134,392	$(62,402)	$ 8,187	$ 398	$ 230	$ 20	$ -	$ 80,825
Total Assets	$722,588	$100,045	$81,488	$ 402	$ 436	$ 115	$ -	$905,074
Notes and Bonds Payable	$649,145	$ 92,250	$76,205					$817,600
Fund Equity	$ 43,699	$ 1,414	$ 3,792	$ 398	$ 352	$ 50	$ -	$ 49,705

F. Interfund Accounts - A summary of interfund receivables and payables at June 30, 1983 is shown below (expressed in thousands).

	RECEIVABLES							
			Trust and Agency Funds				Col. and University	
Payables	Gen. Fund	Highway Special Revenue Fund	Empl. Security	Employee Grp. Ins.	Pension Trust	Cont. Revenue	Current Funds	Totals
General			$ 105		$ 1,781	$ 2,023	$ 4,953	$ 8,862
Special Revenue:								
Highway					310	362		672
Wildlife Resources Agency					37	35		72
Other					1	1		2
Capital Projects							1,300	1,300
Enterprise:								
Housing Development Agency					5	6		11
Other					3	3		6
Internal Service:								
Information System Services					18	23		41
Motor Vehicle Management					2	2		4
General Services Printing					5	5		10
Building Management					2	1		3
Tennessee State Industries					4	6		10
Institutional Farms					1	3		4
Other					1	1		2
Trust and Agency:								
Local Government Investment	$ 180	$10,990					1,212	12,382
Student Assistance Corp.					2	2		4
College and University Current				$ 2,100	912	2,939		5,951
Totals	$ 180	$10,990	$ 105	$ 2,100	$ 3,084	$ 5,412	$ 7,465	$ 29,336

NOTE 3 - NOTES, BONDS AND LEASE OBLIGATIONS PAYABLE

Notes and bonds payable at June 30, 1983 are shown below.

	Amount (in Thousands) Notes	Bonds
Capital Projects Fund:		
General obligation bond anticipation notes, renewable to December 1986, at rates ranging from 4.0% to 5.375%;	$ 46,140	
Enterprise Funds:		
General obligation bonds, 4.875% to 7.5%, due in generally decreasing amounts of principal and interest ranging from a maximum of $6.8 million in 1989 to $1.4 million in 2010		$ 76,205
Tennessee Local Development Authority revenue bond anticipation notes, 8.3%, due September 1983	92,250	
Mortgage finance program revenue bonds, various Series, 4.35% to 14%, due in generally decreasing amounts of principal and interest ranging from a maximum of $71.1 million in 1987 to $1.0 million in 2018		649,145
	92,250	725,350
Internal Service Funds:		
Installment notes, due within one year	1,522	
Tennessee State School Bond Authority revenue bond anticipation notes, 8.9 %, due July 1983	58,710	
Tennessee State School Bond Authority 1977 refunding revenue bonds, 4.6% to 6.6%, crossover date of May 1986, principal and interest due thereafter in generally decreasing amounts ranging from a maximum of $4.4 million in 1987 to $1.2 million in 2011		52,985
	60,232	52,985
General Long-Term Debt:		
General obligation bonds, .1% to 7.4%, due in decreasing amounts of principal and interest from $84.1 million in 1984 to $5.4 million in 2002		583,445
College and University Funds:		
Endowment Fund notes, due within one year	16	
Capital outlay notes, to 7%, principally due by 1985	2,088	
Tennessee State School Bond Authority revenue bonds, various Series, 4.1% to 9.625%, due in decreasing amounts of principal and interest from $19.8 million in 1984 to $6.5 million in 2012		227,093
Non-Authority revenue bonds, 2.25% to 5%, due in generally decreasing amounts of principal and interest from $1.3 million in 1984 to $51 thousand in 2009		16,788
	2,104	243,881
Total Notes and Bonds Payable	$ 200,726	$ 1,605,661

The full faith and credit of the state, together with certain tax revenues, are pledged to secure all general obligation notes and bonds listed above. Although the Enterprise Fund general obligation debt is being retired from resources of that fund (State Loan Program Fund), the state remains contingently liable for its payment. The revenue notes and bonds listed above are not obligations of the state. They are secured by pledge of resources from the facilities to which they relate and by certain other revenues, fees and assets of the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), the Tennessee State School Bond Authority (TSSBA) and the various colleges and universities.

As indicated above, substantially all notes payable at June 30, 1983 are due within one year. Debt service requirements to maturity for all general obligation and revenue bonds payable at June 30, 1983 are as follows (expressed in thousands):

For the Year(s) Ended June 30	General Obligation Bonds Principal	General Obligation Bonds Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total Requirements
1984	$ 54,900	$ 35,979	$ 18,487	$ 71,046	$ 180,412
1985	52,515	33,186	21,530	69,932	177,163
1986	52,640	30,522	74,562*	68,658	226,382*
1987	52,780	27,858	25,759	66,591	172,988
1988	51,370	25,149	26,810	64,976	168,305
1989-2018	395,445	139,615	778,863	730,708	2,044,631
	$ 659,650	$ 292,309	$ 946,011	$1,071,911	$ 2,969,881

*Includes $51,115 representing outstanding TSSBA bonds to be refunded, described below.

A summary of changes in general long-term obligations for the year ended June 30, 1983 follows (expressed in thousands).

	Balance, July 1, 1982	General Obligation Bonds Issued	General Obligation Bonds Retired	Other Changes in General Long-Term Obligations	Balance, June 30, 1983
Amount available in Debt Service Fund	$ 2,436			$ (293)	$ 2,143
Amount to be Provided for Retirement of Long-Term Debt	536,634	$ 100,000	$ (55,625)	293	581,302
General Obligation Debt Payable	539,070	100,000	(55,625)		583,445
Accrued Annual and Compensatory Leave	41,547			7,922	49,469
Total General Long-Term Obligations	$ 580,617	$ 100,000	$ (55,625)	$ 7,922	$ 632,914

Bond sales during the year ended June 30, 1983 included the following issues:

August 1982 - THDA revenue bonds of $150 million.
October 1982 - General obligation bonds of $100 million.
April 1983 - TSSBA revenue bonds of $75.54 million.

In September 1982, $92.25 million of TLDA revenue bond anticipation notes were issued; and in December 1982, general obligation bond anticipation notes of $46.14 million were renewed with a final maturity of December 1986.

Subsequent to June 30, 1983 the following note and bond activity has taken place:

July 1983 - THDA called $109 million of the August 1982 revenue bond issue of $150 million.
August 1983 - THDA revenue bonds of $64.129 million were sold.
September 1983 - TLDA revenue bond anticipation notes of $78.28 million were issued, which (together with additional available funds) was used to retire notes then due.
November 1983 - THDA revenue bonds of $74.351 million were sold.

In 1977 the TSSBA entered into a crossover advance refunding transaction whereby revenue bonds of $52.985 million were issued to facilitate retirement of 1976 TSSBA bonds of $51.115 million in crossover year 1986. Proceeds from the refunding issue were placed in trust with the State Treasurer and invested in qualifying securities which, together with interest earned thereon, will provide amounts sufficient for future payment of all interest, principal and call premiums on the 1976 refunded bonds. In the accompanying financial statements the refunding bonds and related investments are reported in the TSSBA Internal Service Fund; the bonds to be refunded are included in the College and University Funds debt.

A summary of general obligation bonds authorized and unissued at June 30, 1983 is shown below (expressed in thousands). It is anticipated that a substantial amount of these bonds will not be issued but will be cancelled out of available fund balances.

Purpose	Unissued July 1, 1982	Authorized	Sold	Cancelled	Unissued June 30, 1983
Sewage Treatment	$ 113,715			$ 93,035	$ 20,680
Waterworks	41,195			9,675	31,520
Solid Waste Recovery	99,295			99,295	
Highway	118,300			15,660	102,640
Education	64,388	$ 7,553	$ 44,588	14,800	12,553
Correction	5,556	20,717	5,556		20,717
Expo '82	10,000		10,000		
General Government	29,470		29,470		
Other	13,286	1,530	10,386	2,225	2,205
Totals	$ 495,205	$ 29,800	$ 100,000	$ 234,690	$ 190,315

Lease obligations for facilities and equipment are payable from resources of the College and University Funds. Debt service requirements to maturity for all lease obligations payable at June 30, 1983 are as follows (expressed in thousands):

For the Year(s) Ended June 30	Lease Obligations Payable
1984	$ 3,762
1985	3,288
1986	2,696
1987	2,360
1988	2,161
1989-1996	8,456
Total	22,723
Less - Interest (4.2% to 17%) and executory costs	(6,531)
	$ 16,192

NOTE 4 - PENSION PLANS

A. Tennessee Consolidated Retirement System - The Tennessee Consolidated Retirement System (TCRS) is a defined benefit retirement plan covering general employees and teachers of the state as well as employees of political subdivisions who have elected coverage. Benefits are determined by a formula using the high five-year average salary and years of service of each employee. Contributions to the system are determined on an actuarial reserve basis and provide funding for both normal and accrued liability costs. The frozen initial liability method, a projected benefit cost method, is used to value the plan. Effective July 1981, pursuant to non-contributory legislation, contributions of up to 5% of the earnable compensation of most classes of general employees, formerly paid by those employees, were assumed by the state. This legislation similarly affected electing political subdivisions and their employees.

It is the policy of the state to fund pension costs accrued. For the year ended June 30, 1983 the state contributed $238.1 million to the plan and state employees and teachers contributed $42.5 million. These contributions included funding for a cost-of-living provision and amortization of the accrued liability on an actuarial basis over a 40-year period which began in 1975.

An experience study of the system is conducted every four years, the most recent being as of June 30, 1980. A new set of assumptions resulted from this study, the most significant being a 7% interest rate (formerly 6%), a 6% annual salary growth (formerly 4 1/2%), greater post-retirement survivorship and increased employee turnover.

An actuarial valuation is made every two years, the most recent having been completed as of June 30, 1983. For actuarial purposes, investments were valued using a five-year moving market average for equity securities and amortized cost for debt securities. At June 30, 1983 the actuarially computed present value of vested benefits exceeded the net assets of the pension fund by $47? million. This calculation includes the liability associated with a closed group of University of Tennessee faculty who participate in the Teachers Insurance and Annuity Association retirement plan (TIAA-CREF), described in B. below. The unamortized accrued liability of the retirement system, based on the present value of benefits for past and future service, was estimated to be $1.9 billion at June 30, 1983.

B. Other than TCRS - Eligible faculty of the various state universities and community colleges may elect to become members of either TIAA-CREF, a privately-administered retirement plan, or the TCRS. The state assumes no liability for this group of TIAA-CREF members other than payment of contributions. During the year ended June 30, 1983 the state contributed $13.2 million to the TIAA-CREF plan.

A second, now-closed group of University of Tennessee faculty also participates in TIAA-CREF with certain supplemental benefits guaranteed by the state. Prior to fiscal year 1978 these guaranteed benefits were funded by the university on a pay-as-you-go basis; they since have been assumed by the TCRS and are included in the actuarial ca culations disclosed in A. above.

C. Deferred Compensation - In 1981 a deferred compensation plan was initiated for state employees. All costs of administering and funding the plan are the responsibility of plan participants. The state makes no contributions. At June 30, 1983 some $9.7 million, including accumulated interest earnings, had been contributed by participating state employees to those financial institutions administering the plan's various investment options.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

A. Sick Leave - It is the state's po icy to record the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee is absent due to illness, injury or related family death, there was no iabi ity for sick leave at June 30, 1983. The estimated accumulated amount of unused sick leave at that date was $227 million.

B. Leases - The state has entered into various operating leases for land, buildings and equipment. All leases contain termination clauses providing for cancellation after 30, 60 or 90 days' written notice to lessors. In addition, all leases contain appropriation clauses indicating that continuation of the lease is subject to funding by the legislature. It is expected that in the normal course of business most of these leases will be replaced by similar leases. Expenditures for rent under leases for the years ended June 30, 1983 and 1982 amounted to $18.7 million and $16.9 million, respectively.

C. Highway Construction Projects - At June 30, 1983 the Department of Transportation had contractual commitments of approximately $173 million for construction of various highway projects. Funding of these future expenditures is expected to be provided from federal grants ($161 million) and general obligation bond proceeds ($12 million).

D. Litigation - The most significant recent litigation against the state, a case involving inadequate prison facilities, has been concluded. Relief granted by the court enables the state to remedy these conditions over an extended period of time. Although the ultimate impact of this decision on future state operations cannot be ascertained at this time, it is management's opinion that the flexibility allowed by the court will permit the state to carry out the remedial plan without material adverse impact on the state's financial position. The state is also party to numerous other legal proceedings, many of which normally recur in governmental operations. In the opinions of the Attorney General and General Counsels for the colleges and universities, final settlement of these matters will have no material effect on the accompanying financial statements.

E. Federal Grants - The state has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

F. Loan Guarantees - Two state agencies, the Department of Economic and Community Development (E&CD), an agency of the General Fund, and the Tennessee Student Assistance Corporation (TSAC), a Nonexpendable Trust Fund entity, guarantee loans made by private lenders to industry and to students, respectively. The U. S. Department of Education (USDE) reinsures the student loans up to 100% of their principal amounts. At June 30, 1983 E&CD was guarantor of $789 thousand in industrial loans for which the state ultimately could become liable; and TSAC was guarantor of $275 million in student loans, substantially all of which were reinsured by the USDE. The state has no obligation under these student loan guarantees in the event of default.

G. Other - The state has custodial responsibility over some $65 million of U.S. Department of Agriculture food stamp coupons for which the state is liable in the event of loss. Also, it is the state's policy to fund as paid those claims against the state arising from employee negligence or employee injury/death while performing official duties.

Combining and Individual Fund Financial Statements

General Fund

The General Fund is maintained to account for all governmental financial resources and transactions not accounted for in another fund.

Budgetary Procedures and Control

In many respects Tennessee is similar to other states regarding the process leading to adoption of the annual budget. Utilizing zero-based budgeting concepts, the executive branch prepares a budget which is the result of a series of intradepartmental budget meetings and executive budget hearings. The executive budget is based on estimates of all available revenue sources.

The executive budget is presented to the legislature at the beginning of each annual session. The legislature conducts budget hearings through its Finance, Ways and Means committees. Each committee recommends a version of the Appropriation Act to its respective body for passage. Included in the Appropriation Act is the funding level for each department. After passage by each chamber, differences between the two versions, if any, are resolved in conference committee. The final version is passed by both houses and sent to the Governor for approval. Before signing the Appropriation Act, the Governor may veto or reduce any specific appropriation item. These adjustments are subject to being overridden by the legislature.

Once the final budget is passed and signed, it becomes the financial plan for the coming year's activities. A quarterly work program detailing anticipated revenues by source and expenditures by object is then developed for each organizational entity. The work program is entered into the state's centralized accounting system. The budgetary-accounting integration and the resulting periodic reports facilitate both management control and legislative overview of the state's financial operations. Any deviation from the funding levels as specified in the Appropriation Act must receive prior approval from both the appropriate executive decision-makers and the Finance, Ways and Means committees. Thus, there is a continuing interaction between the executive and legislative branches on budgetary matters.

Constitutional Spending Limitation

Tennessee was the first state to adopt a constitutional spending limitation. This was not a response to any spending or taxing excesses but was a public endorsement of the state's long standing record of sound fiscal management.

The March 1978 amendment to the Constitution limited the growth in spending by state government to the rate of growth exhibited by the state's economy. The legislature was directed to establish some measure of economic growth from which the permitted growth in spending could be calculated. Estimated growth in personal income was the measure so established.

The 1983-84 budget is the state's fifth budget to be prepared and enacted since passage of the spending limitation. The total budget is well within the statutory limit enacted to carry out the constitutional mandate. Although the effect of the constitutional spending limitation cannot be evaluated until it has been operative for a period of years, it is apparent that the long-term impact of the amendment on the continued operations and growth of state government could be substantial.

STATE OF TENNESSEE
BALANCE SHEET
GENERAL FUND
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	JUNE 30, 1983	JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$114,096	$124,006
RECEIVABLES:		
DUE FROM OTHER GOVERNMENTS	72,421	80,364
INTEREST	12,199	25,510
OTHER	173	225
INTERFUND RECEIVABLES (Note 2)	180	359
TOTAL ASSETS	$199,069	$230,464
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 35,230	$ 33,654
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	98,918	118,685
ACCRUED PAYROLL AND RELATED DEDUCTIONS	15,231	14,576
INTERFUND PAYABLES (Note 2)	8,862	7,459
OTHER	294	1,078
TOTAL LIABILITIES	158,535	175,452
FUND BALANCE (Notes 1 and 2):		
RESERVED FOR ENCUMBRANCES AND CONTRACTS	5,911	4,275
RESERVED FOR CONTINUING APPROPRIATIONS	10,498	7,900
RESERVED FOR APPROPRIATION AND OTHER REQUIREMENTS		2,000
RESERVED FOR OTHER SPECIFIC PURPOSES	7,809	8,036
UNRESERVED:		
DESIGNATED FOR REVENUE FLUCTUATIONS	10,000	29,000
DESIGNATED FOR CLAIMS AGAINST THE STATE	3,000	3,000
DESIGNATED FOR OTHER SPECIFIC PURPOSES	2,925	
UNDESIGNATED	391	801
TOTAL FUND BALANCE	40,534	55,012
TOTAL LIABILITIES AND FUND BALANCE	$199,069	$230,464

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1983	JUNE 30, 1982
REVENUES:		
TAXES	$1,712,382	$1,629,470
LICENSES, FEES AND PERMITS	29,516	26,753
INTEREST ON INVESTMENTS	62,981	71,243
FEDERAL	863,851	844,421
DEPARTMENTAL SERVICES	191,865	180,616
OTHER	4,186	8,614
TOTAL REVENUES	2,864,781	2,761,117
EXPENDITURES:		
GENERAL GOVERNMENT	129,279	148,332
EDUCATION	989,989	980,673
HEALTH AND SOCIAL SERVICES	1,105,191	1,035,710
LAW, JUSTICE AND PUBLIC SAFETY	193,347	176,741
RECREATION AND RESOURCES DEVELOPMENT	64,691	58,100
REGULATION OF BUSINESS AND PROFESSIONS	16,643	15,330
TOTAL EXPENDITURES	2,499,140	2,414,886
EXCESS OF REVENUES OVER EXPENDITURES	365,641	346,231
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS FROM (TO):		
SPECIAL REVENUE FUNDS	(2,646)	(2,538)
DEBT SERVICE FUND	(861)	1,830
CAPITAL PROJECTS FUND	(8,428)	8,746
ENTERPRISE FUNDS	(235)	(1,038)
INTERNAL SERVICE FUNDS	(23)	(1,181)
NONEXPENDABLE TRUST FUND	(6,179)	(5,088)
COLLEGE AND UNIVERSITY FUNDS	(364,853)	(342,589)
TOTAL OTHER FINANCING SOURCES (USES)	(383,225)	(341,858)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(17,584)	4,373
FUND BALANCE, JULY 1 (Note 2)	55,012	50,292
EQUITY TRANSFERS:		
FROM SPECIAL REVENUE FUNDS	2,206	
FROM ENTERPRISE FUNDS	900	347
FUND BALANCE, JUNE 30 (Note 2)	$ 40,534	$ 55,012

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES BY SOURCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
TAXES:		
SALES AND USE	$1,093,169	$1,038,242
GASOLINE	2,469	2,638
MOTOR VEHICLE REGISTRATION	5,181	3,753
INCOME	35,521	30,345
[illegible]LEGE	29,072	26,445
GROSS RECEIPTS	105,787	99,242
BEER	8,697	9,494
ALCOHOLIC BEVERAGE	24,106	23,972
MIXED DRINK	9,222	8,368
FRANCHISE	40,741	33,511
EXCISE	158,458	167,535
INHERITANCE AND ESTATE	36,208	28,639
TOBACCO	78,338	78,442
BUSINESS	7,474	5,890
INSURANCE COMPANIES PREMIUM	67,345	63,927
RETALIATORY	2,768	2,543
OTHER	7,826	6,484
	1,712,382	1,629,470
LICENSES, FEES AND PERMITS:		
MOTOR VEHICLE TITLE REGISTRATION FEES	3,433	3,147
DRIVERS LICENSES	10,368	9,444
ARRESTS, FINES AND FEES	2,339	2,617
REGULATORY BOARD FEES	5,347	4,906
OTHER	8,029	6,639
	29,516	26,753
INTEREST ON INVESTMENTS	62,981	71,243
FEDERAL:		
EARNED BY STATE DEPARTMENTS	862,932	844,421
REVENUE SHARING	919	
	863,851	844,421
DEPARTMENTAL SERVICES:		
CHARGES TO THE PUBLIC	64,312	59,231
INTERDEPARTMENTAL CHARGES	107,964	101,759
CHARGES TO CITIES, COUNTIES, ETC.	19,589	19,626
	191,865	180,616
OTHER	4,186	8,614
TOTAL REVENUES BY SOURCE	$2,864,781	$2,761,117

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY FUNCTION AND DEPARTMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

EXPENDITURES BY FUNCTION AND DEPARTMENT	FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
GENERAL GOVERNMENT		
LEGISLATIVE	$ 7,233	$ 6,756
SECRETARY OF STATE	7,563	1,806
COMPTROLLER	17,383	18,036
TREASURER	7,580	7,471
GOVERNOR	6,813	33,280
COMMISSIONS	24,089	24,879
FINANCE AND ADMINISTRATION	3,661	3,537
PERSONNEL	3,212	3,317
GENERAL SERVICES	12,920	12,625
REVENUE	27,128	25,028
OTHER	11,697	11,597
	129,279	148,332
EDUCATION	989,989	980,673
HEALTH AND SOCIAL SERVICES		
VETERANS AFFAIRS	851	848
EMPLOYMENT SECURITY	60,550	70,873
MENTAL HEALTH AND MENTAL RETARDATION	169,803	159,022
PUBLIC HEALTH	573,900	589,021
HUMAN SERVICES	300,087	215,946
	1,105,191	1,035,710
LAW, JUSTICE AND PUBLIC SAFETY		
JUDICIAL	33,635	31,457
CORRECTION	115,864	104,537
MILITARY	11,184	9,262
BUREAU OF CRIMINAL INVESTIGATION	5,455	5,421
SAFETY	27,209	26,064
	193,347	176,741
RECREATION AND RESOURCES DEVELOPMENT		
AGRICULTURE	8,498	8,480
TOURIST DEVELOPMENT	3,476	4,139
CONSERVATION	37,225	37,448
ECONOMIC AND COMMUNITY DEVELOPMENT	15,492	8,033
	64,691	58,100
REGULATION OF BUSINESS AND PROFESSIONS		
INSURANCE	10,410	8,836
BANKING	2,518	2,278
LABOR	3,715	4,216
	16,643	15,330
TOTAL EXPENDITURES BY FUNCTION AND DEPARTMENT	$2,499,140	$2,414,886

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY OBJECT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
PERSONAL SERVICES	$ 454,916	$ 425,476
EMPLOYEE BENEFITS	96,116	91,656
TRAVEL	19,675	18,627
PRINTING, DUPLICATING AND FILM PROCESSING	8,059	7,787
UTILITIES AND FUEL	25,192	23,487
COMMUNICATION AND SHIPPING COSTS	20,078	19,546
MAINTENANCE, REPAIRS AND SERVICES	7,631	6,225
PROFESSIONAL AND ADMINISTRATIVE SERVICES	94,848	91,885
SUPPLIES	72,701	73,948
RENTALS AND INSURANCE	11,376	10,444
MOTOR VEHICLE OPERATION	4,458	4,437
AWARDS AND INDEMNITIES	5,289	5,313
GRANTS AND SUBSIDIES	1,664,513	1,617,901
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	8,430	6,885
EQUIPMENT	4,043	7,836
LAND	251	121
BUILDINGS	1,564	3,312
TOTAL EXPENDITURES BY OBJECT	$2,499,140	$2,414,886

See accompanying Notes to the Financial Statements.

Special Revenue Funds

Specific revenues, earmarked to finance particular activities of government, are accounted for in the Special Revenue Funds. A brief description of each fund follows.

Highway Fund - This fund is maintained to account for revenues and expenditures associated with programs of the Department of Transportation. Funding of these programs is accomplished primarily from dedicated highway user taxes and funds received from the various federal transportation agencies. All federal funds accruing to the Highway Fund are received on a reimbursement basis covering costs incurred. It is the state's practice to appropriate matching dollars for jointly funded projects in the year of federal apportionment. This front-end state funding, together with multi-year disbursements on most projects, results in large cash balances in this fund. The State Treasurer invests these moneys, income from which is deposited in the General Fund.

Wildlife Resources Agency - This agency is responsible for the preservation, management, enhancement and protection of the state's wildlife resources and their environs. An additional responsibility is the enforcement of boating safety on state lakes and streams. Revenues are derived principally from hunting and fishing licenses, fees and permits.

Other Special Revenue Funds - There are four agencies included in this group, as follows:

1. Public Service Commission - The commission is responsible for executing and enforcing all statutes governing railroads, utilities and motor carriers. They also assess these groups for ad valorem taxes. Revenues are derived principally from filing and inspection fees;

2. Criminal Injuries Compensation - The Board of Claims administers this fund for the award of compensation, not to exceed $10,000, to victims (or their dependents) who suffer personal injury or death as a result of a criminal act. The primary revenue source is the privilege tax levied by the courts at the time of conviction of the offender;

3. Abandoned Land Program - This program is administered by the Department of Public Health. Revenues collected from surface mining permit fees and forfeited performance bonds are used to reclaim and restore lands affected by abandoned mining operations;

4. Driver Education - This program is designed and coordinated by the Departments of Education and Safety. Highway safety is promoted by providing driver education, instruction and training in schools, colleges and community organizations. The $2 fee for moving traffic violations is the source of funding for this program.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	HIGHWAY	WILDLIFE RESOURCES AGENCY	OTHER	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 253,030	$ 9,481	$ 3,086	$265,597	$238,262
RECEIVABLES	57,970	628	114	58,712	51,114
INTERFUND RECEIVABLES (Note 2)	10,990			10,990	7,185
INVENTORIES, at cost	7,357			7,357	7,112
TOTAL ASSETS	$ 329,347	$ 10,109	$ 3,200	$342,656	$303,673
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
WARRANTS PAYABLE	$ 13,315	$ 384	$ 323	$ 14,022	$ 14,035
ACCOUNTS PAYABLE AND ACCRUALS	45,870	509	73	46,452	34,077
INTERFUND PAYABLES (Note 2)	672	72	2	746	729
OTHER	14,707		1	14,708	17,238
TOTAL LIABILITIES	74,564	965	399	75,928	66,079
FUND BALANCES (Notes 1 and 2):					
RESERVED FOR INVENTORIES	7,357			7,357	7,112
RESERVED FOR ENCUMBRANCES AND CONTRACTS	180,636	58	7	180,701	133,172
RESERVED FOR OTHER SPECIFIC PURPOSES	57,175	9,086	2,794	69,055	84,801
UNRESERVED	9,615			9,615	12,509
TOTAL FUND BALANCES	254,783	9,144	2,801	266,728	237,594
TOTAL LIABILITIES AND FUND BALANCES	$ 329,347	$ 10,109	$ 3,200	$342,656	$303,673

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HIGHWAY	WILDLIFE RESOURCES AGENCY	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
REVENUES:					
TAXES	$ 232,517	$ 287		$232,804	$233,130
LICENSES, FEES AND PERMITS	105	11,711	$ 6,269	18,085	18,530
FEDERAL	194,042	3,144	251	197,437	191,063
DEPARTMENTAL SERVICES	8,775	1,053	497	10,325	11,782
OTHER	5,962			5,962	4,531
TOTAL REVENUES	441,401	16,195	7,017	464,613	459,036
EXPENDITURES:					
GENERAL GOVERNMENT			5,688	5,688	5,286
EDUCATION			738	738	698
HEALTH AND SOCIAL SERVICES			333	333	
LAW, JUSTICE AND PUBLIC SAFETY			118	118	223
RECREATION AND RESOURCES DEVELOPMENT		13,151		13,151	12,931
TRANSPORTATION	427,695			427,695	429,587
TOTAL EXPENDITURES	427,695	13,151	6,877	447,723	448,725
EXCESS OF REVENUES OVER EXPENDITURES	13,706	3,044	140	16,890	10,311
OTHER FINANCING SOURCES (USES):					
OPERATING TRANSFER FROM GENERAL FUND	2,600	46		2,646	2,538
OPERATING TRANSFER FROM DEBT SERVICE FUND	11,860			11,860	
OPERATING TRANSFER TO PENSION TRUST FUND			(56)	(56)	(23)
TOTAL OTHER FINANCING SOURCES (USES)	14,460	46	(56)	14,450	2,515
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	28,166	3,090	84	31,340	12,826
FUND BALANCES, JULY 1 (Note 2)	226,617	8,260	2,717	237,594	224,768
EQUITY TRANSFERS TO GENERAL FUND		(2,206)		(2,206)	
FUND BALANCES, JUNE 30 (Note 2)	$ 254,783	$ 9,144	$ 2,801	$266,728	$237,594

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	PUBLIC SERVICE COMMISSION	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 1,262	$ 296	$ 1,207	$ 321	$ 3,086	$ 3,189
RECEIVABLES			114		114	
TOTAL ASSETS	$ 1,262	$ 296	$ 1,321	$ 321	$ 3,200	$ 3,189
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
WARRANTS PAYABLE	$ 144	$ 177	$ 1	$ 1	$ 323	$ 342
ACCOUNTS PAYABLE AND ACCRUALS	58		9	6	73	127
INTERFUND PAYABLES (NOTE 2)			1	1	2	2
OTHER	1				1	1
TOTAL LIABILITIES	203	177	11	8	399	472
FUND BALANCES (NOTE 1):						
RESERVED FOR ENCUMBRANCES AND CONTRACTS	7				7	24
RESERVED FOR OTHER SPECIFIC PURPOSES	1,052	119	1,310	313	2,794	2,693
TOTAL FUND BALANCES	1,059	119	1,310	313	2,801	2,717
TOTAL LIABILITIES AND FUND BALANCES	$ 1,262	$ 296	$ 1,321	$ 321	$ 3,200	$ 3,189

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	PUBLIC SERVICE COMMISSION	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
REVENUES:						
LICENSES, FEES AND PERMITS	$ 3,579	$ 1,360	$ 612	$ 718	$ 6,269	$ 6,163
FEDERAL	251				251	111
DEPARTMENTAL SERVICES	497				497	563
TOTAL REVENUES	4,327	1,360	612	718	7,017	6,837
EXPENDITURES:						
GENERAL GOVERNMENT	4,285	1,403			5,688	5,286
EDUCATION				738	738	698
HEALTH AND SOCIAL SERVICES			333		333	
LAW, JUSTICE AND PUBLIC SAFETY				118	118	223
RECREATION AND RESOURCES DEVELOPMENT						613
TOTAL EXPENDITURES	4,285	1,403	333	856	6,877	6,820
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	42	(43)	279	(138)	140	17
OTHER FINANCING USES:						
OPERATING TRANSFER TO PENSION TRUST FUND	(56)				(56)	(23)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(14)	(43)	279	(138)	84	(6)
FUND BALANCES, JULY 1	1,073	162	1,031	451	2,717	2,723
FUND BALANCES, JUNE 30 (NOTE 2)	$ 1,059	$ 119	$ 1,310	$ 313	$ 2,801	$ 2,717

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
BALANCE SHEET
HIGHWAY FUND
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	JUNE 30, 1983	JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$253,030	$226,553
DUE FROM OTHER GOVERNMENTS	57,970	50,381
INTERFUND RECEIVABLES (Note 2)	10,990	7,185
INVENTORIES , at cost	7,357	7,112
TOTAL ASSETS	$329,347	$291,231
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 13,315	$ 13,330
ACCOUNTS PAYABLE AND ACCRUALS:		
ACCOUNTS PAYABLE	39,922	27,916
CONTRACT RETAINAGE	3,290	3,019
ACCRUED PAYROLL AND RELATED DEDUCTIONS	2,658	2,457
INTERFUND PAYABLES (Note 2)	672	655
DEFERRED REVENUE	13,238	16,920
OTHER	1,469	317
TOTAL LIABILITIES	74,564	64,614
FUND BALANCE (Note 1):		
RESERVED FOR INVENTORIES	7,357	7,112
RESERVED FOR ENCUMBRANCES AND CONTRACTS	180,636	133,060
RESERVED FOR OTHER SPECIFIC PURPOSES:		
INTERSTATE HIGHWAYS	1,869	9,851
PRIMARY SYSTEM	4,794	10,300
URBAN HIGHWAYS	1,116	726
SECONDARY ROADS	4,857	5,152
APPALACHIA HIGHWAYS AND ACCESS ROUTES	10,440	11,612
RURAL ROADS	7,260	5,241
METROPOLITAN URBAN SYSTEMS	1,966	3,872
BRIDGE REPLACEMENT	15,522	15,907
HIGHWAY SAFETY CONSTRUCTION	5,727	5,881
OTHERS	3,624	5,394
UNRESERVED	9,615	12,509
TOTAL FUND BALANCE	254,783	226,617
TOTAL LIABILITIES AND FUND BALANCE	$329,347	$291,231

See acompanying Notes to the
Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1983	JUNE 30, 1982
REVENUES:		
TAXES	**$232,517**	$233,130
LICENSES	**105**	98
FEDERAL	**194,042**	187,860
DEPARTMENTAL SERVICES	**8,775**	10,262
OTHER	**5,962**	4,531
TOTAL REVENUES	**441,401**	435,881
EXPENDITURES:		
INTERSTATE HIGHWAY CONSTRUCTION	**80,575**	78,909
PRIMARY SYSTEM CONSTRUCTION	**34,440**	38,923
APPALACHIA CONSTRUCTION	**26,212**	37,424
STATE SYSTEM CONSTRUCTION	**53,578**	45,001
OTHER CONSTRUCTION	**100,866**	107,088
MAINTENANCE AND MARKING	**91,084**	85,268
ADMINISTRATIVE AND OTHER	**40,940**	36,974
TOTAL EXPENDITURES	**427,695**	429,587
EXCESS OF REVENUES OVER EXPENDITURES	**13,706**	6,294
OTHER FINANCING SOURCES:		
OPERATING TRANSFER FROM GENERAL FUND	**2,600**	2,602
OPERATING TRANSFER FROM DEBT SERVICE FUND	**11,860**	
TOTAL OTHER FINANCING SOURCES	**14,460**	2,602
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	**28,166**	8,896
FUND BALANCE, JULY 1	**226,617**	217,721
FUND BALANCE, JUNE 30 (Note 2)	**$254,783**	$226,617

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES BY SOURCE
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
TAXES:		
GASOLINE	$ 83,342	$ 83,820
MOTOR FUEL	31,869	29,947
GASOLINE INSPECTION	17,880	17,481
MOTOR VEHICLE REGISTRATION	99,426	101,882
	232,517	233,130
OUTDOOR ADVERTISING LICENSES	105	98
FEDERAL	194,042	187,860
DEPARTMENTAL SERVICES:		
CITIES AND COUNTIES	4,576	5,897
STATE AGENCIES	4,199	4,365
OTHER - SALE OF EQUIPMENT, PLANS, ETC.	5,962	4,531
TOTAL REVENUES BY SOURCE	$441,401	$435,881

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY OBJECT
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
PERSONAL SERVICES	$ 72,896	$ 68,078
EMPLOYEE BENEFITS	17,943	16,543
TRAVEL	552	587
PRINTING, DUPLICATING AND FILM PROCESSING	479	473
UTILITIES AND FUEL	1,287	1,257
COMMUNICATION AND SHIPPING COSTS	1,123	1,056
MAINTENANCE, REPAIRS AND SERVICES	370	354
PROFESSIONAL AND ADMINISTRATIVE SERVICES	11,140	10,220
SUPPLIES	8,817	8,810
RENTALS AND INSURANCE	372	511
MOTOR VEHICLE OPERATION	2,190	2,099
AWARDS AND INDEMNITIES	825	693
GRANTS AND SUBSIDIES	8,193	7,943
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	11,307	11,916
EQUIPMENT	4,445	4,086
LAND	27,804	32,115
BUILDINGS	185	301
HIGHWAY CONSTRUCTION	257,767	262,545
TOTAL EXPENDITURES BY OBJECT	$427,695	$429,587

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HIGHWAY FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 19,646	$ 19,646	
ADD - ENCUMBRANCE AND CONTRACT RESERVES REAPPROPRIATED	232,647	232,647	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	252,293	252,293	
REVENUES:			
TAXES	235,000	232,517	$ (2,483)
LICENSES, FEES AND PERMITS	100	105	5
FEDERAL	182,782	180,363	(2,419)
DEPARTMENTAL SERVICES	12,947	15,440	2,493
OTHER	4,300	5,962	1,662
OTHER FINANCING SOURCES - TRANSFERS IN	14,460	14,460	
TOTAL SOURCES OF FINANCIAL RESOURCES	**701,882**	**701,140**	**(742)**
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION			
PUBLIC HEALTH			
SAFETY			
WILDLIFE RESOURCES			
TRANSPORTATION	696,120	684,143	11,977
OTHER FINANCING USES - TRANSFERS OUT			
TOTAL USES OF FINANCING RESOURCES	**696,120**	**684,143**	**11,977**
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	**$ 5,762**	**$ 16,997**	**$ 11,235**

See accompanying Notes to the Financial Statements.

OTHER SPECIAL REVENUE FUNDS			TOTAL SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 10,865	$ 10,865		$ 30,511	$ 30,511	
112	112		232,759	232,759	
10,977	10,977		263,270	263,270	
288	287	$ (1)	235,288	232,804	$ (2,484)
14,448	17,980	3,532	14,548	18,085	3,537
3,099	3,395	296	185,881	183,758	(2,123)
1,305	1,548	243	14,252	16,988	2,736
			4,300	5,962	1,662
46	46		14,506	14,506	
30,163	**34,233**	**4,070**	**732,045**	**735,373**	**3,328**
1,625	1,402	223	1,625	1,402	223
4,292	4,292		4,292	4,292	
822	738	84	822	738	84
1,361	333	1,028	1,361	333	1,028
246	118	128	246	118	128
13,467	13,208	259	13,467	13,208	259
			696,120	684,143	11,977
2,262	2,262		2,262	2,262	
24,075	**22,353**	**1,722**	**720,195**	**706,496**	**13,699**
$ 6,088	**$ 11,880**	**$ 5,792**	**$ 11,850**	**$ 28,877**	**$ 17,027**

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	PUBLIC SERVICE COMMISSION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 1,073	$ 1,073	
ADD - ENCUMBRANCE RESERVES REAPPROPRIATED			
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	1,073	1,073	
REVENUES:			
LICENSES, FEES AND PERMITS	3,500	3,579	$ 79
FEDERAL	178	251	73
DEPARTMENTAL SERVICES	559	497	(62)
TOTAL SOURCES OF FINANCIAL RESOURCES	5,310	5,400	90
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION	4,292	4,292	
PUBLIC HEALTH			
OTHER FINANCING USES - TRANSFERS OUT	56	56	
TOTAL USES OF FINANCIAL RESOURCES	4,348	4,348	
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	$ 962	$ 1,052	$ 90

	DRIVER EDUCATION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 449	$ 449	
ADD - ENCUMBRANCE RESERVES REAPPROPRIATED	2	2	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	451	451	
REVENUES:			
TAXES			
LICENSES, FEES AND PERMITS	798	718	$ (80)
FEDERAL			
DEPARTMENTAL SERVICES			
OTHER FINANCING SOURCES - TRANSFERS IN			
TOTAL SOURCES OF FINANCIAL RESOURCES	1,249	1,169	(80)
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION	822	738	84
PUBLIC HEALTH			
SAFETY	246	118	128
WILDLIFE RESOURCES			
OTHER FINANCING USES - TRANFERS OUT			
TOTAL USES OF FINANCIAL RESOURCES	1,068	856	212
FUND BALANCES (BUDGETARY BASIS), JUNE 30, (Note 2)	$ 181	$ 313	$ 132

CRIMINAL INJURIES COMPENSATION			ABANDONED LAND PROGRAM		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 162	$ 162		$ 1,009	$ 1,009	
			22	22	
162	162		1,031	1,031	
	1,359	$ 1,359	450	612	$ 162
162	**1,521**	**1,359**	**1,481**	**1,643**	**162**
1,625	1,402	223			
			1,361	333	1,028
1,625	**1,402**	**223**	**1,361**	**333**	**1,028**
$ (1,463)	**$ 119**	**$ 1,582**	**$ 120**	**$ 1,310**	**$ 1,190**

WILDLIFE RESOURCES AGENCY			TOTAL OTHER SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 8,172	$ 8,172		$ 10,865	$ 10,865	
88	88		112	112	
8,260	8,260		10,977	10,977	
288	287	$ (1)	288	287	$ (1)
9,700	11,712	2,012	14,448	17,980	3,532
2,921	3,144	223	3,099	3,395	296
746	1,051	305	1,305	1,548	243
46	46		46	46	
21,961	**24,500**	**2,539**	**30,163**	**34,233**	**4,070**
			1,625	1,402	223
			4,292	4,292	
			822	738	84
			1,361	333	1,028
			246	118	128
13,467	13,208	259	13,467	13,208	259
2,206	2,206		2,262	2,262	
15,673	**15,414**	**259**	**24,075**	**22,353**	**1,722**
$ 6,288	**$ 9,086**	**$ 2,798**	**$ 6,088**	**$ 11,880**	**$ 5,792**

Debt Service Fund

The Debt Service Fund is maintained to account for accumulation of resources for, and the payment of, principal and interest on general long-term debt.

STATE OF TENNESSEE
BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	JUNE 30, 1983	JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 2,323	$ 19,352
PREPAYMENTS	1	2
TOTAL ASSETS	$ 2,324	$ 19,354
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 4	$ 26
MATURED BONDS AND INTEREST PAYABLE	55	186
ACCRUED INTEREST ON BOND ANTICIPATION NOTES	122	3,888
TOTAL LIABILITIES	181	4,100
FUND BALANCE (Note 1):		
RESERVED FOR CAPITAL OUTLAY AND BOND CANCELLATION		12,818
UNRESERVED	2,143	2,436
TOTAL FUND BALANCE	2,143	15,254
TOTAL LIABILITIES AND FUND BALANCE	$ 2,324	$ 19,354

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1983	JUNE 30, 1982
REVENUES:		
TAXES:		
SALES AND USE	$ 13,017	$ 12,363
GASOLINE	29,300	29,300
FRANCHISE	16,000	16,000
EXCISE	44,100	39,000
	102,417	96,663
FEDERAL	92	92
OTHER		89
TOTAL REVENUES	102,509	96,844
EXPENDITURES:		
BOND PRINCIPAL RETIREMENT	55,625	51,125
BOND INTEREST	29,929	28,324
NOTE INTEREST	5,908	5,975
OTHER	134	63
TOTAL EXPENDITURES	91,596	85,487
EXCESS OF REVENUES OVER EXPENDITURES	10,913	11,357
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFER FROM (TO) GENERAL FUND	861	(1,830)
OPERATING TRANSFER TO CAPITAL PROJECTS FUND	(13,025)	(8,966)
OPERATING TRANSFER TO HIGHWAY FUND	(11,860)	
TOTAL OTHER FINANCING SOURCES (USES)	(24,024)	(10,796)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(13,111)	561
FUND BALANCE, JULY 1	15,254	14,693
FUND BALANCE, JUNE 30	$ 2,143	$ 15,254

See accompanying Notes to the Financial Statements.

Capital Projects Fund

The Capital Projects Fund is maintained to account for the acquisition or construction of major governmental general fixed assets financed principally by long-term bonds.

STATE OF TENNESSEE
BALANCE SHEET
CAPITAL PROJECTS FUND
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	JUNE 30, 1983	JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 140,747	$ 161,312
DUE FROM OTHER GOVERNMENTS	1,502	1,886
TOTAL ASSETS	$ 142,249	$ 163,198
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 844	$ 1,662
ACCOUNTS PAYABLE	4,068	4,788
INTERFUND PAYABLES (Note 2)	1,300	
NOTES PAYABLE (Note 3)	46,140	146,300
OTHER	286	300
TOTAL LIABILITIES	52,638	153,050
FUND BALANCE (Note 1):		
RESERVED FOR ENCUMBRANCES AND CONTRACTS	15,723	16,018
RESERVED FOR APPROVED CAPITAL PROJECTS	63,720	
RESERVED FOR FUTURE CAPITAL PROJECTS	10,168	5,151
UNRESERVED		(11,021)
TOTAL FUND BALANCE	89,611	10,148
TOTAL LIABILITIES AND FUND BALANCE	$ 142,249	$ 163,198

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1983	JUNE 30, 1982
REVENUES:		
FEDERAL	$ 3,988	$ 4,318
DEPARTMENTAL SERVICES	628	1,648
TOTAL REVENUES	4,616	5,966
EXPENDITURES:		
GENERAL GOVERNMENT	5,168	10,764
EDUCATION	4,533	13,171
HEALTH AND SOCIAL SERVICES	3,551	5,691
LAW, JUSTICE AND PUBLIC SAFETY	8,097	5,936
RECREATION AND RESOURCES DEVELOPMENT	4,231	5,718
TOTAL EXPENDITURES	25,580	41,280
EXCESS OF EXPENDITURES OVER REVENUES	(20,964)	(35,314)
OTHER FINANCING SOURCES (USES):		
PROCEEDS FROM BOND SALE	100,000	
OPERATING TRANSFER FROM (TO) GENERAL FUND	8,428	(8,746)
OPERATING TRANSFER FROM DEBT SERVICE FUND	13,025	8,966
OPERATING TRANSFER TO COLLEGE AND UNIVERSITY FUNDS	(21,026)	(25,739)
TOTAL OTHER FINANCING SOURCES (USES)	100,427	(25,519)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	79,463	(60,833)
FUND BALANCE, JULY 1	10,148	70,981
FUND BALANCE, JUNE 30	$ 89,611	$ 10,148

See accompanying Notes to the Financial Statements.

Enterprise Funds

The Enterprise Funds are used to account for the operations of state agencies that provide goods or services to the general public on a user charge basis. The state's enterprise operations are described below.

Housing Development Agency - Created by the legislature in 1973, the purpose of this agency is to improve the quality of housing available to lower and moderate income Tennesseans. This objective is accomplished in part by (1) making funds available for loans for residential construction or rehabilitation, (2) making or participating in the making of insured mortgage loans and (3) purchasing existing mortgages from lending institutions. These programs are funded primarily from the sale of revenue bonds or notes.

Local Development Authority - This authority was created in 1978 for the purpose of providing to local governments, through the issuing of revenue bonds or notes, the financing assistance previously provided by the State Loan Program. In addition, the Authority may assist small business concerns in financing pollution control facilities and farmers in financing certain capital improvements.

State Loan Program - Operated since the early 1970's through the Department of Public Health, this program has provided financial assistance to local governments and utility districts for the construction of sewage treatment, solid waste recovery and waterworks facilities. In order for these borrowing entities to generate funds necessary to repay the loans, the imposition of a user's fee by the local systems was authorized. In order to finance this program, general obligation bonds were sold which, although remaining full faith and credit obligations of the state, are being retired from resources of this fund. Future financing for this program will be generated from the sale of revenue bonds or notes by the Local Development Authority.

Other - Four smaller enterprise operations are included in this group, as follows:

1. Housing Rehabilitation Corporation - Established in 1973, this corporation's purpose is to provide a means of encouraging the rehabilitation of existing housing. To facilitate this objective the corporation insures first mortgage loans on existing houses and insures loans for home improvements. Although they have received state appropriations in the past, it is intended that the corporation be self-funded with revenues from investments, fees and premium income.

2. Federal Property Utilization, a division of the Department of General Services - This agency receives surplus federal property and redistributes it to civil defense units, health and educational institutions and other eligible donees within the state. The agency collects fees from the donees to offset operating costs.

3. State Employees' Cafeteria, also a division of the Department of General Services - This Nashville division operates two cafeterias for the convenience of state employees, one in the Andrew Jackson State Office Building and another in the Legislative Plaza.

4. A. P. Mills Industries - This sheltered workshop offers training and employment for the visually disabled. Mops and brooms are manufactured and various other types of assembly and contract work are performed. Effective December 1, 1982 the state contracted with the Lions Club for the operation and management of A. P. Mills Industries.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	$ 158,051	$ 36,145	$ 9,670	$ 726	$ 204,592	$ 132,358
RECEIVABLES:						
ACCOUNTS	2,179			69	2,248	1,492
INTEREST	12,433	84	8		12,525	7,800
FIRST MORTGAGE LOANS - CURRENT PORTION	4,788				4,788	4,150
DUE FROM OTHER GOVERNMENTS - CURRENT PORTION			2,275		2,275	2,065
INVENTORIES, at cost				6	6	318
TOTAL CURRENT ASSETS	177,451	36,229	11,953	801	226,434	148,183
OTHER ASSETS:						
LONG-TERM INVESTMENTS, at cost	76,010				76,010	52,012
FIRST MORTGAGE LOANS RECEIVABLE	457,364				457,364	416,214
DUE FROM OTHER GOVERNMENTS		63,816	69,535		133,351	131,026
DEFERRED CHARGES	11,730				11,730	9,519
TOTAL OTHER ASSETS	545,104	63,816	69,535		678,455	608,771
MACHINERY AND EQUIPMENT, at cost	57			464	521	657
LESS ACCUMULATED DEPRECIATION	(24)			(312)	(336)	(394)
TOTAL FIXED ASSETS	33			152	185	263
TOTAL ASSETS	$ 722,588	$ 100,045	$ 81,488	$ 953	$ 905,074	$ 757,217
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
CURRENT LIABILITIES:						
WARRANTS PAYABLE	$ 960			$ 25	$ 985	$ 1,051
ACCOUNTS PAYABLE AND ACCRUALS	25,450	$ 6,381	$ 1,491	118	33,440	30,776
INTERFUND PAYABLES (Note 2)	11			6	17	94
NOTES PAYABLE (Note 3)		92,250			92,250	90,675
CURRENT PORTION OF LONG - TERM DEBT (Note 3)	13,315		2,275		15,590	13,180
DEFERRED REVENUE	3,323			4	3,327	2,099
TOTAL CURRENT LIABILITIES	43,059	98,631	3,766	153	145,609	137,875
LONG-TERM DEBT - BONDS PAYABLE (Note 3)	635,830		73,930		709,760	575,350
TOTAL LIABILITIES	678,889	98,631	77,696	153	855,369	713,225
FUND EQUITY (Note 2):						
CONTRIBUTED CAPITAL				593	593	2,438
RETAINED EARNINGS:						
RESERVED FOR BOND RETIREMENT	11,496				11,496	15,646
UNRESERVED	32,203	1,414	3,792	207	37,616	25,908
TOTAL FUND EQUITY	43,699	1,414	3,792	800	49,705	43,992
TOTAL LIABILITIES AND FUND EQUITY	$ 722,588	$ 100,045	$ 81,488	$ 953	$ 905,074	$ 757,217

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 200			$ 1,596	$ 1,796	$ 3,248
INTEREST INCOME	65,087	$ 2,991	$ 847	108	69,033	54,982
INTERGOVERNMENTAL	12,772	4,698	4,086		21,556	19,104
TOTAL OPERATING REVENUES	78,059	7,689	4,933	1,704	92,385	77,334
OPERATING EXPENSES:						
PERSONAL SERVICES	1,547	707	1	1,130	3,385	3,415
CONTRACTUAL SERVICES	357			170	527	1,465
MATERIALS AND SUPPLIES	24			437	461	1,571
RENTALS AND INSURANCE	89			5	94	204
MORTGAGE SERVICE FEES	1,423				1,423	1,228
GRANTS AND SUBSIDIES	12,735				12,735	11,212
INTEREST	54,059	7,720	4,549		66,328	47,756
DEPRECIATION AND AMORTIZATION	387			40	427	481
OTHER	133			28	161	285
TOTAL OPERATING EXPENSES	70,754	8,427	4,550	1,810	85,541	67,617
OPERATING INCOME (LOSS)	7,305	(738)	383	(106)	6,844	9,717
OPERATING TRANSFER FROM GENERAL FUND				235	235	1,038
NET INCOME (LOSS)/CHANGE IN RETAINED EARNINGS	7,305	(738)	383	129	7,079	10,755
OTHER CHANGES IN FUND EQUITY:						
EQUITY TRANSFER TO GENERAL FUND				(900)	(900)	(347)
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND				(466)	(466)	(316)
NET CHANGE IN FUND EQUITY	7,305	(738)	383	(1,237)	5,713	10,092
FUND EQUITY, JULY 1	36,394	2,152	3,409	2,037	43,992	33,900
FUND EQUITY, JUNE 30 (Note 2)	$ 43,699	$ 1,414	$ 3,792	$ 800	$ 49,705	$ 43,992

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
SOURCES OF WORKING CAPITAL:						
OPERATIONS:						
NET INCOME (LOSS)	$ 7,305	$ (738)	$ 383	$ 129	$ 7,079	$ 10,755
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	387			40	427	481
WORKING CAPITAL PROVIDED BY OPERATIONS	7,692	(738)	383	169	7,506	11,236
PROCEEDS FROM SALE OF BONDS	150,000				150,000	50,000
DISPOSAL OF MACHINERY AND EQUIPMENT				56	56	94
TOTAL SOURCES OF WORKING CAPITAL	157,692	(738)	383	225	157,562	61,330
USES OF WORKING CAPITAL:						
PURCHASE OF LONG-TERM INVESTMENTS	23,998				23,998	7,792
INCREASE IN FIRST MORTGAGE LOANS RECEIVABLE	41,150				41,150	28,018
INCREASE IN LOANS TO OTHER GOVERNMENTS		4,565	(2,240)		2,325	24,159
INCREASE IN DEFERRED CHARGES	2,593				2,593	943
ACQUISITION OF MACHINERY AND EQUIPMENT	5			18	23	115
DECREASE IN LONG-TERM DEBT	13,315		2,275		15,590	13,180
EQUITY TRANSFER TO GENERAL FUND				900	900	347
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND				466	466	316
TOTAL USES OF WORKING CAPITAL	81,061	4,565	35	1,384	87,045	74,870
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 76,631	$ (5,303)	$ 348	$(1,159)	$ 70,517	$ (13,540)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
CASH AND CASH EQUIVALENTS	$ 77,876	$ (5,210)	$ 338	$ (770)	$ 72,234	$ 43,977
ACCOUNTS RECEIVABLE	1,020			(264)	756	683
INTEREST RECEIVABLE	4,786	(34)	(27)		4,725	1,109
FIRST MORTGAGE LOANS RECEIVABLE	638				638	750
CURRENT DUE FROM OTHER GOVERNMENTS			210		210	340
INVENTORIES				(312)	(312)	(84)
WARRANTS PAYABLE	16			50	66	995
ACCOUNTS PAYABLE AND ACCRUALS	(4,278)	1,516	37	61	(2,664)	(16,606)
INTERFUND PAYABLES	1			76	77	(68)
NOTES PAYABLE		(1,575)			(1,575)	(40,945)
CURRENT PORTION OF LONG-TERM DEBT	(2,200)		(210)		(2,410)	(2,025)
DEFERRED REVENUE	(1,228)				(1,228)	(1,666)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 76,631	$ (5,303)	$ 348	$(1,159)	$ 70,517	$ (13,540)

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER ENTERPRISE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 402	$ 246	$ 78	$ 726	$1,496
ACCOUNTS RECEIVABLE		68	1	69	333
INVENTORIES, at cost			6	6	318
TOTAL CURRENT ASSETS	402	314	85	801	2,147
MACHINERY AND EQUIPMENT, at cost	3	246	215	464	606
LESS ACCUMULATED DEPRECIATION	(3)	(124)	(185)	(312)	(376)
TOTAL FIXED ASSETS		122	30	152	230
TOTAL ASSETS	$ 402	$ 436	$ 115	$ 953	$2,377
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
CURRENT LIABILITIES:					
WARRANTS PAYABLE		$ 9	$ 16	$ 25	$ 75
ACCOUNTS PAYABLE AND ACCRUALS		71	47	118	179
INTERFUND PAYABLES (Note 2)		4	2	6	82
DEFERRED REVENUE	$ 4			4	4
TOTAL LIABILITIES	4	84	65	153	340
FUND EQUITY (Note 2):					
CONTRIBUTED CAPITAL		376	217	593	2,438
RETAINED EARNINGS (DEFICIT):					
UNRESERVED	398	(24)	(167)	207	(401)
TOTAL FUND EQUITY	398	352	50	800	2,037
TOTAL LIABILITIES AND FUND EQUITY	$ 402	$ 436	$ 115	$ 953	$2,377

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	A. P. MILLS INDUSTRIES	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 8	$ 780	$ 632	$ 176	$ 1,596	$ 3,110
INTEREST INCOME	108				108	149
TOTAL OPERATING REVENUES	116	780	632	176	1,704	3,259
OPERATING EXPENSES:						
PERSONAL SERVICES		563	321	246	1,130	2,009
CONTRACTUAL SERVICES		98	40	32	170	305
MATERIALS AND SUPPLIES		64	294	79	437	1,541
RENTALS AND INSURANCE		5			5	5
DEPRECIATION AND AMORTIZATION		22	15	3	40	60
OTHER		19	4	5	28	35
TOTAL OPERATING EXPENSES		771	674	365	1,810	3,955
OPERATING INCOME (LOSS)	116	9	(42)	(189)	(106)	(696)
OPERATING TRANSFER FROM GENERAL FUND				235	235	1,038
NET INCOMES (LOSS)/CHANGE IN RETAINED EARNINGS	116	9	(42)	46	129	342
OTHER CHANGES IN FUND EQUITY:						
EQUITY TRANSFER TO GENERAL FUND	(900)				(900)	(347)
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND				(466)	(466)	(316)
NET CHANGE IN FUND EQUITY	(784)	9	(42)	(420)	(1,237)	(321)
FUND EQUITY, JULY 1	1,182	343	92	420	2,037	2,358
FUND EQUITY, JUNE 30 (Note 2)	$ 398	$ 352	$ 50	$ -	$ 800	$ 2,037

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	A. P. MILLS INDUSTRIES	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
SOURCES OF WORKING CAPITAL:						
OPERATIONS:						
NET INCOME (LOSS)	$ 116	$ 9	$ (42)	$ 46	$ 129	$ 342
ITEMS NOT REQUIRING WORKING CAPITAL-DEPRECIATION AND AMORTIZATION		22	15	3	40	60
WORKING CAPITAL PROVIDED BY OPERATIONS	116	31	(27)	49	169	402
DISPOSAL OF MACHINERY AND EQUIPMENT		4	3	49	56	94
TOTAL SOURCES OF WORKING CAPITAL	116	35	(24)	98	225	496
USES OF WORKING CAPITAL:						
ACQUISITION OF MACHINERY AND EQUIPMENT		14	4		18	104
EQUITY TRANSFER TO GENERAL FUND	900				900	347
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND				466	466	316
TOTAL USES OF WORKING CAPITAL	900	14	4	466	1,384	767
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (784)	$ 21	$ (28)	$ (368)	$ (1,159)	$ (271)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
CASH AND CASH EQUIVALENTS	$ (784)	$ 67	$ (4)	$ (49)	$ (770)	$ (84)
ACCOUNTS RECEIVABLE		(10)	1	(255)	(264)	(54)
DUE FROM OTHER GOVERNMENTS						(84)
INVENTORIES			(3)	(309)	(312)	(1)
WARRANTS PAYABLE		13	3	34	50	
ACCOUNTS PAYABLE AND ACCRUALS		(49)	(25)	135	61	23
INTERFUND PAYABLES				76	76	(67)
DEFERRED REVENUE						(4)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (784)	$ 21	$ (28)	$ (368)	$ (1,159)	$ (271)

See accompanying Notes to the Financial Statements.

Internal Service Funds

The Internal Service Funds are used to account for the operations of state agencies that provide goods or services to other state agencies on a cost reimbursement basis. The following operations are included in these funds:

Information System Services, a division of the Department of Finance and Administration - This agency functions as the data processing service bureau for state government;

Motor Vehicle Management, a division of the Department of General Services - This division is responsible for administering a uniform program for the operation and maintenance of all state vehicles;

Printing, a division of the Department of General Services - This agency operates a printing facility to provide such services as general printing, typesetting and binding for state agencies located in Nashville and has responsibility for the installation and management of state-owned copier machines located in selected state agencies with high volume activity;

Building Management, a division of the Department of General Services -This division is responsible for the maintenance, repair and upkeep of selected state owned buildings located in Chattanooga, Memphis and Jackson;

Tennessee State Industries, a division of the Department of Correction - Located at the state prison in Nashville, the industries workshops manufacture furniture, license plates and other products for state, county and municipal offices and institutions;

Institutional Farms, also a division of the Department of Correction - Farming operations are conducted at four correctional sites in the state. Food crops are grown and animals are raised for sale and use within the system. Effective July 1, 1983 this program was transferred to the General Fund;

Tennessee State School Bond Authority (TSSBA) - Established in 1965, the TSSBA provides a mechanism for financing building projects for the state's universities. Agreements are executed between the governing boards of the institutions and the TSSBA, and revenue bonds are issued using the constructed facilities as collateral. Charges levied by the universities on users of the facilities provide the funds necessary for payment of principal and interest on bonds. Any collections in excess of these requirements are retained by the institutions to cover administrative fees, building maintenance and related costs;

Other - Three smaller internal service agencies are included in this group, as follows:

1. Legislative Services, a division of the Legislative branch - This division collects revenue from the printing and distribution of proposed bills, legislative calendars and other information during the legislative session;

2. Capitol Print Shop, a division of the Office of the Comptroller - This facility is responsible for providing printing, mailing and other office services for the state agencies located in the Capitol;

3. Postal Services, a division of the Department of General Services - This agency processes and distributes incoming, outgoing and interdepartmental mail for state agencies located in Nashville.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	BUILDING MANAGEMENT
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	$ 4,462	$ 4,987	$ 1,529	$ 500
CASH ON DEPOSIT WITH FISCAL AGENT				
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles of $4	1	38	33	3
INVENTORIES, at cost		54	296	
PREPAID EXPENSES	10			
TOTAL CURRENT ASSETS	4,473	5,079	1,858	503
OTHER ASSETS:				
INVESTMENTS, at cost				
DEFERRED CHARGES				
TOTAL OTHER ASSETS				
FIXED ASSETS:				
LAND, at cost				1,285
STRUCTURES AND IMPROVEMENTS, at cost				12,073
MACHINERY AND EQUIPMENT, at cost	19,482	14,438	1,824	28
LESS ACCUMULATED DEPRECIATION	(14,488)	(6,358)	(758)	(1,173)
TOTAL FIXED ASSETS	4,994	8,080	1,066	12,213
TOTAL ASSETS	$ 9,467	$ 13,159	$ 2,924	$ 12,716
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
CURRENT LIABILITIES:				
WARRANTS PAYABLE	$ 70	$ 302	$ 85	$ 53
ACCOUNTS PAYABLE AND ACCRUALS:				
ACCOUNTS PAYABLE	765	318	92	48
ACCRUED PAYROLL AND RELATED DEDUCTIONS	510	53	113	36
INTERFUND PAYABLES (Note 2)	41	4	10	3
NOTES PAYABLE	1,522			
DEFERRED REVENUE				
TOTAL CURRENT LIABILITIES	2,908	677	300	140
LONG-TERM DEBT:				
BONDS PAYABLE (Note 3)				
CALL PREMIUMS PAYABLE				
TOTAL LONG-TERM DEBT				
TOTAL LIABILITIES	2,908	677	300	140
FUND EQUITY:				
CONTRIBUTED CAPITAL	4,887	10,553	1,613	12,811
RETAINED EARNINGS (DEFICIT)	1,672	1,929	1,011	(235)
TOTAL FUND EQUITY	6,559	12,482	2,624	12,576
TOTAL LIABILITIES AND FUND EQUITY	$ 9,467	$ 13,159	$ 2,924	$ 12,716

See accompanying Notes to the Financial Statements.

TENNESSEE STATE INDUSTRIES	INSTITUTIONAL FARMS	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
$ 113	$ 159	$ 62,902	$ 640	$ 75,292	$ 13,478
		4,208		4,208	7,018
85	8		15	183	319
3,462			93	3,905	6,686
			8	16	35
3,660	167	67,110	756	83,606	27,536
		52,417		52,417	52,339
		1,320		1,320	1,519
		53,737		53,737	53,858
				1,285	1,262
				12,073	12,039
			296	37,461	36,054
1,393			(114)	(23,898)	(21,836)
(805)					
588			182	27,123	27,519
$ 4,248	$ 167	$ 120,847	$ 938	$ 164,466	$ 108,913
$ 243	$ 89	$ 31	$ 58	$ 931	$ 682
390	57	6,146	29	7,845	12,427
163	17		43	935	280
10	4		2	74	76
		58,710		60,232	
		216		216	197
806	167	65,103	132	70,233	13,662
		52,985		52,985	52,985
		1,533		1,533	1,533
		54,518		54,518	54,518
806	167	119,621	132	124,751	68,180
3,785			340	33,989	34,805
(343)		1,226	466	5,726	5,928
3,442		1,226	806	39,715	40,733
$ 4,248	$ 167	$ 120,847	$ 938	$ 164,466	$ 108,913

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND EQUITY
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	BUILDING MANAGEMENT
OPERATING REVENUES:				
CHARGES FOR SERVICES	$ 12,947	$ 7,828	$ 2,937	$ 1,484
INTEREST INCOME				
OTHER	15			
TOTAL OPERATING REVENUES	12,962	7,828	2,937	1,484
OPERATING EXPENSES:				
PERSONAL SERVICES	5,419	681	1,320	391
CONTRACTUAL SERVICES	1,352	88	132	858
MATERIALS AND SUPPLIES	477	3,721	954	46
RENTALS AND INSURANCE	4,073	18	194	
INTEREST	99			
DEPRECIATION AND AMORTIZATION	1,405	2,245	224	392
OTHER	84	38	127	9
TOTAL OPERATING EXPENSES	12,909	6,791	2,951	1,696
OPERATING INCOME (LOSS)	53	1,037	(14)	(212)
OPERATING TRANSFERS FROM GENERAL FUND				
OPERATING TRANSFERS FROM (TO) INTERNAL SERVICE FUNDS				
NET INCOME (LOSS)/CHANGE IN RETAINED EARNINGS	53	1,037	(14)	(212)
OTHER CHANGES IN FUND EQUITY:				
CONTRIBUTED FIXED ASSETS		92		
LOSS ON DISPOSAL OF INSTITUTIONAL FARMS				
NET CHANGE IN FUND EQUITY	53	1,129	(14)	(212)
FUND EQUITY, JULY 1	6,506	11,353	2,638	12,788
FUND EQUITY, JUNE 30	$ 6,559	$ 12,482	$ 2,624	$ 12,576

See accompanying Notes to the Financial Statements.

TENNESSEE STATE INDUSTRIES	INSTITUTIONAL FARMS	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
$ 7,687	$ 2,247		$ 2,334	$ 37,464	$ 31,460
		$ 2,823		2,823	7,075
10	5			30	87
7,697	2,252	2,823	2,334	40,317	38,622
1,409	643		621	10,484	9,259
703	259		284	3,676	3,360
5,112	1,448		1,225	12,983	11,214
1	14		1	4,301	4,360
		2,909		3,008	6,008
105	145	199	26	1,741	4,183
115	110		33	516	476
7,445	2,619	3,108	2,190	39,709	38,860
252	(367)	(285)	144	608	(238)
	23			23	1,181
(126)	126				
126	(218)	(285)	144	631	943
				92	13,122
	(1,741)			(1,741)	
126	(1,959)	(285)	144	(1,018)	14,065
3,316	1,959	1,511	662	40,733	26,668
$ 3,442	$ -	$ 1,226	$ 806	$ 39,715	$ 40,733

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	BUILDING MANAGEMENT
SOURCES OF WORKING CAPITAL:				
OPERATIONS:				
NET INCOME (LOSS)	$ 53	$ 1,037	$ (14)	$ (212)
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	1,405	2,245	224	392
WORKING CAPITAL PROVIDED BY OPERATIONS	1,458	3,282	210	180
DISPOSAL OF MACHINERY AND EQUIPMENT	70	500	117	
TOTAL SOURCES OF WORKING CAPITAL	1,528	3,782	327	180
USES OF WORKING CAPITAL:				
PURCHASE OF LONG-TERM INVESTMENTS				
ACQUISITION OF FIXED ASSETS	3,314	1,311	592	57
LOSS ON DISPOSAL OF INSTITUTIONAL FARMS				
TOTAL USES OF WORKING CAPITAL	3,314	1,311	592	57
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (1,786)	$ 2,471	$ (265)	$ 123
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
CASH AND CASH EQUIVALENTS	$ 329	$ 2,707	$ (130)	$ 137
CASH ON DEPOSIT WITH FISCAL AGENT				
INVESTMENTS				
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles	1	(55)	7	(24)
INTERFUND RECEIVABLES				
INVENTORIES		(16)	(51)	
PREPAID EXPENSES	(2)			
WARRANTS PAYABLE	62	(230)	(10)	7
ACCOUNTS PAYABLE AND ACCRUALS	(653)	64	(81)	3
INTERFUND PAYABLES	(1)	1		
NOTES PAYABLE	(1,522)			
BONDS PAYABLE				
DEFERRED REVENUE				
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (1,786)	$ 2,471	$ (265)	$ 123

See accompanying Notes to the Financial Statements.

TENNESSEE STATE INDUSTRIES	INSTITUTIONAL FARMS	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	ELIMINATIONS	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	JUNE 30, 1982
$ 126	$ (218)	$ (285)	$ 144		$ 631	$ 943
105	145	199	26		4,741	4,183
231	(73)	(86)	170		5,372	5,126
1	724		4		1,416	709
232	651	(86)	174		6,788	5,835
		78			78	78
17	124		55		5,470	6,827
	1,741				1,741	
17	1,865	78	55		7,289	6,905
$ 215	$ (1,214)	$ (164)	$ 119	$ -	$ (501)	$ (1,070)
$ 113	$ 159	$ 58,155	$ 344		$ 61,814	$ (3,294)
		(2,810)			(2,810)	6,656
						(58,050)
(71)	(7)		13		(136)	(98)
	(336)		(216)	$ 552		
(1,698)	(1,032)		16		(2,781)	2,924
			(15)		(17)	(44)
4	(58)	(30)	6		(249)	285
1,315	59	3,250	(30)		3,927	(7,632)
552	1		1	(552)	2	(6)
		(58,710)			(60,232)	102
						58,005
		(19)			(19)	82
$ 215	$ (1,214)	$ (164)	$ 119	$ -	$ (501)	$ (1,070)

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER INTERNAL SERVICE FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 130	$ 199	$ 311	$ 640	$ 296
ACCOUNTS RECEIVABLE	6		9	15	2
INTERFUND RECEIVABLES					216
INVENTORIES, at cost		44	49	93	77
PREPAID EXPENSES		5	3	8	23
TOTAL CURRENT ASSETS	136	248	372	756	614
FIXED ASSETS:					
MACHINERY AND EQUIPMENT, at cost		218	78	296	264
LESS ACCUMULATED DEPRECIATION		(96)	(18)	(114)	(107)
TOTAL FIXED ASSETS		122	60	182	157
TOTAL ASSETS	$ 136	$ 370	$ 432	$ 938	$ 771
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
CURRENT LIABILITIES:					
WARRANTS PAYABLE	$ 1	$ 12	$ 45	$ 58	$ 64
ACCOUNTS PAYABLE AND ACCRUALS:					
ACCOUNTS PAYABLE		22	7	29	32
ACCRUED PAYROLL AND RELATED DEDUCTIONS		14	29	43	10
INTERFUND PAYABLES (Note 2)			2	2	3
TOTAL LIABILITIES	1	48	83	132	109
FUND EQUITY:					
CONTRIBUTED CAPITAL	88	188	64	340	340
RETAINED EARNINGS	47	134	285	466	322
TOTAL FUND EQUITY	135	322	349	806	662
TOTAL LIABILITIES AND FUND EQUITY	$ 136	$ 370	$ 432	$ 938	$ 771

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
OTHER INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
OPERATING REVENUES:					
CHARGES FOR SERVICES	$ 107	$ 662	$ 1,565	$ 2,334	$ 2,216
TOTAL OPERATING REVENUES	107	662	1,565	2,334	2,216
OPERATING EXPENSES:					
PERSONAL SERVICES	5	256	360	621	547
CONTRACTUAL SERVICES	74	162	48	284	289
MATERIALS AND SUPPLIES	1	141	1,083	1,225	1,353
RENTALS AND INSURANCE			1	1	1
DEPRECIATION AND AMORTIZATION		19	7	26	20
OTHER		3	30	33	17
TOTAL OPERATING EXPENSES	80	581	1,529	2,190	2,227
OPERATING INCOME (LOSS)	27	81	36	144	(11)
OPERATING TRANSFERS FROM GENERAL FUND					3
NET INCOME (LOSS)/CHANGE IN FUND EQUITY	27	81	36	144	(8)
FUND EQUITY, JULY 1	108	241	313	662	670
FUND EQUITY, JUNE 30	$ 135	$ 322	$ 349	$ 806	$ 662

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
SOURCES OF WORKING CAPITAL:					
OPERATIONS:					
NET INCOME (LOSS)	$ 27	$ 81	$ 36	$ 144	$ (8)
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION		19	7	26	20
WORKING CAPITAL PROVIDED BY OPERATIONS	27	100	43	170	12
DISPOSAL OF MACHINERY AND EQUIPMENT		3	1	4	
TOTAL SOURCES OF WORKING CAPITAL	27	103	44	174	12
USES OF WORKING CAPITAL:					
ACQUISITION OF MACHINERY AND EQUIPMENT		30	25	55	98
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 27	$ 73	$ 19	$ 119	$ (86)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
CASH AND CASH EQUIVALENTS	$ 23	$ 60	$ 261	$ 344	$(287)
ACCOUNTS RECEIVABLE	5		8	13	(6)
INTERFUND RECEIVABLES			(216)	(216)	216
INVENTORIES		6	10	16	
PREPAID EXPENSES		(5)	(10)	(15)	(5)
WARRANTS PAYABLE	(1)	19	(12)	6	3
ACCOUNTS PAYABLE AND ACCRUALS		(7)	(23)	(30)	(1)
INTERFUND PAYABLES			1	1	(6)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 27	$ 73	$ 19	$ 119	$ (86)

See accompanying Notes to the Financial Statements.

Trust And Agency Funds

The Trust and Agency Funds are used to account for assets held by the state in a fiduciary capacity. Trust funds include the Employment Security Fund, Employee Group Insurance Fund, the Local Government Investment Fund, the Student Assistance Corporation Fund, the Board of Equalization Loan Fund and the Pension Trust Fund. The Local Government Fund and the Contingent Revenue Fund are agency funds.

Trust Funds:

Employment Security Fund - This fund is maintained to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants. Funds are also received from the federal government for local office building construction, supplemental unemployment programs and work incentive payments. As required by law, all funds not necessary for current benefit payments are placed on deposit with the U. S. Treasury. Interest earned from these moneys is retained in the fund. Administrative and operational expenses incurred by the Department of Employment Security are expenditures of the General Fund.

Employee Group Insurance Fund - Established in January 1978, this fund is used to account for transactions pertaining to the state's self-insured group medical plan. Prior to 1978 medical insurance was provided by a private carrier. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Local Government Investment Fund - This fund was created in July 1980 to account for local government deposits with the state treasurer and the related interest earnings. Through this program the participating local governments achieve higher investment income by pooling their funds with the treasurer than they could realize individually.

Student Assistance Corporation Fund - This fund is used to account for the operations of the Tennessee Student Assistance Corporation (TSAC), a nonprofit organization created to administer loan and grant programs to students attending higher education institutions. TSAC was established in 1974 to (1) guarantee loans made to eligible students, (2) administer state awards of financial assistance to eligible students, and (3) administer the nursing and medical loan scholarship programs.

Board of Equalization Loan Fund - This fund was created in 1963 to account for state loans to city and county governments for a program of assessment, reassessment or equalization of property taxes. In 1967 the program was expanded to enable grants also to be made for these purposes. Cash in the fund not needed for loans or grants may be transferred to other state activities by legislative act.

Pension Trust Fund - The Tennessee Consolidated Retirement System was established in July 1972 superseding seven former retirement systems. The accounts of each superseded system were transferred to the new system wherein separate accounting is maintained for assets and liabilities attributable to the various classes of members and beneficiaries. Benefits under the system are funded by contributions of members and employers. Effective July 1981 contributions of up to 5% of the earnable compensation of most classes of state employees, formerly paid by those employees, were assumed by the state pursuant to non-contributory legislation. The level of contributions is determined by actuarial valuation, the latest having been performed as of June 30, 1983. As of that date there were 139,987 active members and 42,120 retired members representing a 1.2% decrease and 17.4% increase, respectively, since the previous actuarial valuation in 1981.

Agency Funds:

Local Government Fund - The purpose of the Local Government Fund is to serve as a clearing mechanism for state-shared taxes and other funds distributed to the various counties and cities of the state.

Contingent Revenue Fund - This fund is used to account for unearned federal revenues, refundable deposits and other receipts held in trust until the state has the right to transfer them to operating funds or until there is proper authorization to disburse them directly to others.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	EXPENDABLE TRUST		
	EMPLOYMENT SECURITY	EMPLOYEE GROUP INSURANCE	LOCAL GOVERNMENT INVESTMENT
CASH AND CASH EQUIVALENTS	$ 2,585	$ 10,433	$ 31,069
CASH ON DEPOSIT WITH FISCAL AGENT	42,289	355	
INVESTMENTS, at cost or amortized cost			
RECEIVABLES:			
INTEREST AND DIVIDENDS			
DUE FROM OTHER GOVERNMENTS			
NOTES RECEIVABLE			
OTHER, net of allowance for uncollectibles of $13,859 in 1983 and $12,800 in 1982 (Note 1)	51,213	79	
INTERFUND RECEIVABLES (Note 2)	105	2,100	
TOTAL ASSETS	$ 96,192	$ 12,967	$ 31,069
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
WARRANTS PAYABLE	$ 3,467	$ 764	
ACCOUNTS PAYABLE AND ACCRUALS	11,182	2,185	
INTERFUND PAYABLES (Note 2)			$ 12,382
MEMBERS DEPOSITS			18,687
AMOUNTS HELD IN CUSTODY FOR OTHERS			
OTHER	183		
TOTAL LIABILITIES	14,832	2,949	31,069
FUND BALANCES (DEFICIT) (Note 2):			
RESERVED FOR PENSION BENEFITS			
RESERVED FOR UNEMPLOYMENT COMPENSATION BENEFITS	81,360		
RESERVED FOR CLAIMS INCURRED BUT UNPAID		16,403	
RESERVED FOR GUARANTEED STUDENT LOANS			
RESERVED FOR ASSESSMENT EQUALIZATION AND REAPPRAISAL PROGRAM			
UNRESERVED		(6,385)	
TOTAL FUND BALANCES	81,360	10,018	
TOTAL LIABILITIES AND FUND BALANCES	$ 96,192	$ 12,967	$ 31,069

See accompanying Notes to the Financial Statements.

NONEXPENDABLE TRUST			AGENCY		TOTALS	
STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	LOCAL GOVERNMENT	CONTINGENT REVENUE	JUNE 30, 1983	JUNE 30, 1982
$ 7,504	$ 2,733	$ 186,831	$ 68,980	$ 55,500	$ 365,635	$ 470,202
					42,644	78,861
		2,803,296		25	2,803,321	2,172,374
225		54,295			54,520	46,625
572	2,644	7,754		15,291	26,261	27,320
1,655					1,655	1,942
173					51,465	63,011
		3,084		5,412	10,701	10,636
$ 10,129	$ 5,377	$ 3,055,260	$ 68,980	$ 76,228	$ 3,356,202	$ 2,870,971
$ 106		$ 947	$ 186	$ 2,106	$ 7,576	$ 10,238
167	$ 50	19,069	68,794	41,996	143,443	121,135
4					12,386	8,571
					18,687	7,175
		148,715		32,126	180,941	111,231
1,348					1,531	1,349
1,625	50	168,731	68,980	76,228	364,464	259,697
		2,886,529			2,886,529	2,460,235
					81,360	122,218
					16,403	16,164
5,937					5,937	4,241
	3,306				3,306	3,571
2,567	2,021				(1,797)	4,845
8,504	5,327	2,886,529			2,991,738	2,611,274
$ 10,129	$ 5,377	$ 3,055,260	$ 68,980	$ 76,228	$ 3,356,202	$ 2,870,971

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	EMPLOYMENT SECURITY	EMPLOYEE GROUP INSURANCE	LOCAL GOVERNMENT INVESTMENT	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
REVENUES:					
EMPLOYER PREMIUMS	$ 278,004			$ 278,004	$ 207,953
MEMBER CONTRIBUTIONS		$ 26,384		26,384	19,911
STATE CONTRIBUTIONS		35,799		35,799	25,902
INTEREST INCOME	3,988	1,128	$ 2,172	7,288	16,567
FEDERAL	133,589			133,589	50,580
OTHER	2,210			2,210	2,152
TOTAL REVENUES	417,791	63,311	2,172	483,274	323,065
EXPENDITURES:					
BENEFITS	458,374	58,582		516,956	390,677
REFUNDS	275			275	329
INSURANCE PREMIUMS		9,321		9,321	7,417
INTEREST ON DEPOSITS			2,136	2,136	958
ADMINISTRATIVE FEES		1,314	42	1,356	972
TOTAL EXPENDITURES	458,649	69,217	2,178	530,044	400,353
EXCESS OF EXPENDITURES OVER REVENUE	(40,858)	(5,906)	(6)	(46,770)	(77,288)
FUND BALANCES, JULY 1	122,218	15,924	6	138,148	215,436
FUND BALANCES, JUNE 30 (Note 2)	$ 81,360	$ 10,018	$ -	$ 91,378	$ 138,148

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	NONEXPENDABLE TRUST			TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	JUNE 30, 1983	JUNE 30, 1982
OPERATING REVENUES:					
MEMBER CONTRIBUTIONS			$ 57,318	$ 57,318	$ 54,073
STATE CONTRIBUTIONS			251,286	251,286	259,121
POLITICAL SUBDIVISION CONTRIBUTIONS			33,356	33,356	30,147
INTEREST INCOME	$ 754	$ 52	192,746	193,552	148,093
DIVIDEND INCOME			27,328	27,328	26,980
NET INCOME FROM INVESTMENT TRANSACTIONS			52,558	52,558	45,872
FEDERAL	1,639			1,639	1,704
OTHER	1,019			1,019	1,300
TOTAL OPERATING REVENUES	3,412	52	614,592	618,056	567,290
OPERATING EXPENSES:					
BENEFITS			154,443	154,443	139,377
REFUNDS			20,708	20,708	24,193
PAYMENTS TO TIAA-CREF			13,203	13,203	12,127
GRANTS	7,221	451		7,672	7,847
LOAN CANCELLATIONS	234			234	129
ADMINISTRATIVE FEES	797			797	609
TOTAL OPERATING EXPENSES	8,252	451	188,354	197,057	184,282
OPERATING INCOME (LOSS)	(4,840)	(399)	426,238	420,999	383,008
OPERATING TRANSFER FROM GENERAL FUND	6,179			6,179	5,088
OPERATING TRANSFER FROM SPECIAL REVENUE FUND			56	56	23
NET INCOME (LOSS)	1,339	(399)	426,294	427,234	388,119
FUND BALANCES, JULY 1	7,165	5,726	2,460,235	2,473,126	2,085,007
FUND BALANCES, JUNE 30	$ 8,504	$ 5,327	$ 2,886,529	$ 2,900,360	$ 2,473,126

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	NONEXPENDABLE TRUST			TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	JUNE 30, 1983	JUNE 30, 1982
SOURCES OF WORKING CAPITAL:					
WORKING CAPITAL PROVIDED BY NET INCOME (LOSS) FROM OPERATIONS	$ 1,339	$ (399)	$ 426,294	$ 427,234	$ 388,119
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 1,339	$ (399)	$ 426,294	$ 427,234	$ 388,119
ELEMENTS OF NET CHANGES IN WORKING CAPITAL:					
CASH	$ 1,673	$ (146)	$ (123,378)	$ (121,851)	$ 17,779
INVESTMENTS			630,947	630,947	405,397
RECEIVABLES	(251)	(340)	8,021	7,430	12,943
INTERFUND RECEIVABLES			(574)	(574)	(855)
WARRANTS PAYABLE	39	100	213	352	11,375
ACCOUNTS PAYABLE AND ACCRUALS	(122)	(13)	(17,120)	(17,255)	18,380
AMOUNTS HELD IN CUSTODY FOR OTHERS			(71,815)	(71,815)	(76,900)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 1,339	$ (399)	$ 426,294	$ 427,234	$ 388,119

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

LOCAL GOVERNMENT FUND	BALANCE JULY 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1983
ASSETS				
CASH AND CASH EQUIVALENTS	$ 65,507	$ 626,295	$ 622,822	$ 68,980
LIABILITIES				
WARRANTS PAYABLE	$ 856	$ 615,520	$ 616,190	$ 186
DUE TO OTHER GOVERNMENTS	64,651	626,295	622,152	68,794
TOTAL LIABILITIES	$ 65,507	$ 1,241,815	$ 1,238,342	$ 68,980
CONTINGENT REVENUE FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 52,734	$ 1,669,957	$ 1,667,191	$ 55,500
INVESTMENTS	25			25
DUE FROM OTHER GOVERNMENTS	16,245	15,291	16,245	15,291
INTERFUND RECEIVABLES (Note 2)	5,117	5,412	5,117	5,412
TOTAL ASSETS	$ 74,121	$ 1,690,660	$ 1,688,553	$ 76,228
LIABILITIES				
WARRANTS PAYABLE	$ 2,749	$ 18,835	$ 19,478	$ 2,106
DUE TO OTHER GOVERNMENTS	37,041	393,138	388,183	41,996
AMOUNTS HELD IN CUSTODY FOR OTHERS	34,331	1,280,910	1,283,115	32,126
TOTAL LIABILITIES	$ 74,121	$ 1,692,883	$ 1,690,776	$ 76,228
TOTALS-ALL AGENCY FUNDS				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 118,241	$ 2,296,252	$ 2,290,013	$ 124,480
INVESTMENTS	25			25
DUE FROM OTHER GOVERNMENTS	16,245	15,291	16,245	15,291
INTERFUND RECEIVABLES (Note 2)	5,117	5,412	5,117	5,412
TOTAL ASSETS	$ 139,628	$ 2,316,955	$ 2,311,375	$ 145,208
LIABILITIES				
WARRANTS PAYABLE	$ 3,605	$ 634,355	$ 635,668	$ 2,292
DUE TO OTHER GOVERNMENTS	101,692	1,019,433	1,010,335	110,790
AMOUNTS HELD IN CUSTODY FOR OTHERS	34,331	1,280,910	1,283,115	32,126
TOTAL LIABILITIES	$ 139,628	$ 2,934,698	$ 2,929,118	$ 145,208

See accompanying Notes to the Financial Statements.

General Fixed Assets Account Group

The General Fixed Assets Account Group is maintained to account for fixed assets acquired for general governmental purposes. These include all fixed assets except those of the Enterprise, Internal Service and College and University Funds.

STATE OF TENNESSEE
STATEMENT OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1983

(Expressed in Thousands)

FUNCTION AND ACTIVITY	LAND	STRUCTURES AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
GENERAL GOVERNMENT:				
LEGISLATIVE			$ 385	$ 385
CONSTITUTIONAL OFFICES			545	545
ADMINISTRATION	$ 8,374	$ 103,072	3,139	114,585
REVENUE	3	332	1,193	1,528
TOTAL GENERAL GOVERNMENT	8,377	103,404	5,262	117,043
EDUCATION	714	119,316	44,091	164,121
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS			9	9
EMPLOYMENT SECURITY	587	3,157	2,079	5,823
MENTAL HEALTH AND MENTAL RETARDATION	1,822	127,679	8,299	137,800
PUBLIC HEALTH	150	19,504	5,782	25,436
HUMAN SERVICES	25	7,316	4,801	12,142
TOTAL HEALTH AND SOCIAL SERVICES	2,584	157,656	20,970	181,210
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL		20	1,496	1,516
CORRECTION	2,166	111,892	6,598	120,656
MILITARY	247	33,381	843	34,471
BUREAU OF CRIMINAL INVESTIGATION		908	1,436	2,344
SAFETY	163	9,994	11,885	22,042
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	2,576	156,195	22,258	181,029
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	189	5,254	648	6,091
TOURIST DEVELOPMENT			77	77
CONSERVATION	29,404	82,021	9,734	121,159
WILDLIFE RESOURCES	5,550	7,070	3,346	15,966
ECONOMIC AND COMMUNITY DEVELOPMENT			1,036	1,036
TOTAL RECREATION AND RESOURCES DEVELOPMENT	35,143	94,345	14,841	144,329
REGULATION OF BUSINESS AND PROFESSIONS:				
INSURANCE			224	224
BANKING			21	21
LABOR	1	60	338	399
TOTAL REGULATION OF BUSINESS AND PROFESSIONS	1	60	583	644
TRANSPORTATION	1,149	17,475	49,961	68,585
TOTALS ALLOCATED TO FUNCTIONS	**$ 50,544**	**$ 648,451**	**$ 157,966**	**856,961**
CONSTRUCTION IN PROGRESS				5,923
TOTAL GENERAL FIXED ASSETS (Notes 1 and 2)				**$ 862,884**

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS, JULY 1, 1982	ADDITIONS	RETIREMENTS	GENERAL FIXED ASSETS, JUNE 30, 1983
GENERAL GOVERNMENT:				
LEGISLATIVE	$ 553	$ 31	$ 199	$ 385
CONSTITUTIONAL OFFICES	655	262	372	545
ADMINISTRATION	118,055	1,815	5,285	114,585
REVENUE	4,187	109	2,768	1,528
TOTAL GENERAL GOVERNMENT	123,450	2,217	8,624	117,043
EDUCATION	167,269	15,770	18,918	164,121
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS	22	2	15	9
EMPLOYMENT SECURITY	5,633	563	373	5,823
MENTAL HEALTH AND MENTAL RETARDATION	153,515	714	16,429	137,800
PUBLIC HEALTH	26,434	566	1,564	25,436
HUMAN SERVICES	8,874	7,346	4,078	12,142
TOTAL HEALTH AND SOCIAL SERVICES	194,478	9,191	22,459	181,210
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL	1,694	172	350	1,516
CORRECTION	113,662	9,096	2,102	120,656
MILITARY	31,692	2,989	210	34,471
BUREAU OF CRIMINAL INVESTIGATION	2,351	195	202	2,344
SAFETY	16,198	6,763	919	22,042
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	165,597	19,215	3,783	181,029
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	6,117	92	118	6,091
TOURIST DEVELOPMENT	90	8	21	77
CONSERVATION	116,964	7,789	3,594	121,159
WILDLIFE RESOURCES	16,101	332	467	15,966
ECONOMIC AND COMMUNITY DEVELOPMENT	855	287	106	1,036
TOTAL RECREATION AND RESOURCES DEVELOPMENT	140,127	8,508	4,306	144,329
REGULATION OF BUSINESS AND PROFESSIONS:				
INSURANCE	274	40	90	224
BANKING	18	4	1	21
LABOR	465	31	97	399
TOTAL REGULATION OF BUSINESS AND PROFESSIONS	757	75	188	644
TRANSPORTATION	67,273	4,655	3,343	68,585
CONSTRUCTION IN PROGRESS	20,582	14,095	28,754	5,923
TOTAL GENERAL FIXED ASSETS (Notes 1 and 2)	$ 879,533	$ 73,726	$ 90,375	$ 862,884

See accompanying Notes to the Financial Statements.

General Long-Term Obligations Account Group

The General Long-Term Obligations Account Group is maintained to account for the outstanding principal balances of the State's general obligation bonds and accrued annual and compensatory leave for employees that are paid from the Governmental Fund Types.

STATE OF TENNESSEE
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	BALANCE JULY 1, 1982	GENERAL OBLIGATION BONDS ISSUED	GENERAL OBLIGATION BONDS RETIRED	DEBT SERVICE FUND OPERATIONS	INCREASE IN ACCRUED LEAVE	BALANCE JUNE 30, 1983
AMOUNT AVAILABLE IN DEBT SERVICE FUND	$ 2,436			$ (293)		**$ 2,143**
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	578,181	$100,000	$(55,625)	293	$ 7,922	**630,771**
TOTAL AVAILABLE AND TO BE PROVIDED	$ 580,617	$100,000	$(55,625)	$ -	$ 7,922	**$ 632,914**
ACCRUED ANNUAL AND COMPENSATORY LEAVE	$ 41,547				$ 7,922	**$ 49,469**
GENERAL OBLIGATION DEBT PAYABLE (Note 3)	539,070	$100,000	$(55,625)			**583,445**
TOTAL GENERAL LONG-TERM OBLIGATIONS	$ 580,617	$100,000	$(55,625)	$ -	$ 7,922	**$ 632,914**

See accompanying Notes to the Financial Statements.

College And University Funds

The College and University Funds are used to account for all transactions relating to public institutions of higher education. These include seven universities, ten community colleges and four technical institutes. These institutions maintain their own financial records which are not a part of the central accounting system operated by the Department of Finance and Administration.

Three governing boards are responsible for the operations of these institutions - the University of Tennessee Board of Trustees, the State Board of Regents and the State Board of Vocational Education. Coordination among these boards for such things as budgetary and capital outlay requests, the need for and location of new higher education institutions, and the approval of new academic and degree programs is provided by the Tennessee Higher Education Commission.

The University of Tennessee Board of Trustees - The University of Tennessee was first established in 1794 by the Legislature of the Federal Territory. Since that time it has grown into an institution of twenty-four different colleges and schools. The locations of its four primary campuses, various experimental stations and extension services have made the university state-wide in physical presence as well as in services. The main campus is located in Knoxville. The other primary campuses are located in Memphis, Martin and Chattanooga.

The State Board of Regents - The State University and Community College System of Tennessee was created by the General Assembly in 1972. Its member institutions (six universities and ten community colleges) serve the state and its citizenry by providing postsecondary education opportunities, research, continuing education and public activities. As a system, the institutions span the state and operate as a coordinated network of public higher education with each campus offering unique characteristics and services. The system consists of the following institutions:

UNIVERSITIES

Austin Peay State University	Clarksville
East Tennessee State University	Johnson City
Memphis State University	Memphis
Middle Tennessee State University	Murfreesboro
Tennessee State University	Nashville
Tennessee Technological University	Cookeville

COMMUNITY COLLEGES

Chattanooga State Technical Community College	Chattanooga
Cleveland State Community College	Cleveland
Columbia State Community College	Columbia
Dyersburg State Community College	Dyersburg
Jackson State Community College	Jackson
Motlow State Community College	Tullahoma
Roane State Community College	Harriman
Shelby State Community College	Memphis
Volunteer State Community College	Gallatin
Walters State Community College	Morristown

The community college movement is relatively new in Tennessee. Emerging from legislative study in the early 1960's, nine of the ten existing colleges were established by the General Assembly between 1965 and 1969. The locations of these institutions were determined by population need patterns. An act of the 1973 General Assembly changed the Chattanooga State Technical Institute to Chattanooga State Technical Community College, representing the 10th community college in the state. A broad range of two-year associate degree programs and one-to-two year certificate of proficiency programs is offered by each college.

The State Board of Vocational Education - The state technical institutions are governed by the State Board of Vocational Education. The state Department of Education provides necessary administrative support. The names and locations of the state technical institutes are:

Nashville State Technical Institute	Nashville
State Technical Institute at Knoxville	Knoxville
State Technical Institute at Memphis	Memphis
Tri-Cities State Technical Institute	Blountville

Various two-year associate degree programs are available at the technical institutes. In addition, special industrial and community service courses are offered as the demand arises from interested groups.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	CURRENT	FIDUCIARY	PLANT	ELIMINATIONS	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$109,811	$ 10,566	$ 59,720		$ 180,097	$ 151,215
CASH ON DEPOSIT WITH FISCAL AGENTS			30,599		30,599	16,726
INVESTMENTS	838	42,691	223		43,752	39,846
RECEIVABLES (Note 1)	57,777	38,943	561		97,281	99,885
INTERFUND RECEIVABLES (Note 2)	15,525	133	10,932	$ (19,125)	7,465	4,406
INVENTORIES	15,958				15,958	16,146
LAND			47,925		47,925	48,288
STRUCTURES AND IMPROVEMENTS			946,232		946,232	881,988
MACHINERY AND EQUIPMENT (Note 1)			321,682		321,682	303,315
CONSTRUCTION IN PROGRESS			25,573		25,573	32,225
DEFERRED CHARGES AND OTHER	1,875	1,197	632		3,704	4,015
TOTAL ASSETS	$201,784	$ 93,530	$1,444,079	$ (19,125)	$ 1,720,268	$ 1,598,053
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	$ 57,267	$ 264	$ 2,355		$ 59,886	$ 65,960
INTERFUND PAYABLES (Note 2)	24,927	54	95	$ (19,125)	5,951	5,657
NOTES PAYABLE (Note 3)		16	2,088		2,104	37,549
BONDS PAYABLE (Note 3)			243,881		243,881	172,924
LEASE OBLIGATIONS PAYABLE (Note 3)			16,192		16,192	
OTHER	26,129	5,231			31,360	27,414
TOTAL LIABILITIES	108,323	5,565	264,611	(19,125)	359,374	309,504
FUND EQUITY (Note 2):						
INVESTMENT IN FIXED ASSETS			1,080,569		1,080,569	1,055,308
FUND BALANCES (Note 1):						
RESERVED FOR:						
RELATED ASSETS	39,682				39,682	36,704
ENCUMBRANCES AND CONTRACTS	6,647				6,647	6,205
OTHER SPECIFIC PURPOSES	25,688	84,517	47,104		157,309	132,931
UNRESERVED:						
DESIGNATED FOR TRUST PURPOSES		3,448			3,448	2,966
DESIGNATED FOR COLLEGES AND UNIVERSITIES	21,444		51,795		73,239	54,435
TOTAL FUND EQUITY	93,461	87,965	1,179,468		1,360,894	1,288,549
TOTAL LIABILITIES AND FUND EQUITY	$201,784	$ 93,530	$1,444,079	$ (19,125)	$ 1,720,268	$ 1,598,053

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS
JUNE 30, 1983

(Expressed in Thousands)

	UNRESTRICTED				TOTALS	
ASSETS	GENERAL	AUXILIARY ENTERPRISES AND HOSPITALS	TOTAL	RESTRICTED	JUNE 30, 1983	JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 80,063	$ 21,372	$101,435	$ 8,376	$ 109,811	$ 122,279
INVESTMENTS, at cost				838	838	278
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles of $8,112 in 1983 and $3,700 in 1982 (Note 1)	8,227	32,811	41,038	16,714	57,752	58,753
NOTES RECEIVABLE				25	25	25
INTERFUND RECEIVABLES (Note 2)	15,222		15,222	303	15,525	13,985
INVENTORIES, at cost	6,378	9,529	15,907	51	15,958	16,146
DEFERRED CHARGES	1,177	354	1,531		1,531	1,202
OTHER 126	1	127	217	344	487	
TOTAL ASSETS	$111,193	$ 64,067	$175,260	$ 26,524	$ 201,784	$ 213,155
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE	$ 10,363	$ 4,118	$ 14,481	$ 1,148	$ 15,629	$ 22,705
ACCRUED LIABILITIES	38,388	3,140	41,528	110	41,638	38,704
INTERFUND PAYABLES (Note 2)	13,176	11,126	24,302	625	24,927	38,880
DEPOSITS AND ADVANCE PAYMENTS	886	954	1,840		1,840	1,860
DEFERRED REVENUE	14,065	7,140	21,205		21,205	20,928
OTHER	3,074	10	3,084		3,084	3,567
TOTAL LIABILITIES	79,952	26,488	106,440	1,883	108,323	126,644
FUND BALANCES (Notes 1 and 2):						
ALLOCATED:						
NON-DISCRETIONARY:						
ALLOCATION FOR WORKING CAPITAL		39,682	39,682		39,682	36,704
ALLOCATION FOR ENCUMBRANCES	6,439	208	6,647		6,647	6,205
OTHER ALLOCATIONS	1,047		1,047	24,641	25,688	25,510
DISCRETIONARY	14,915	3,165	18,080		18,080	20,135
UNALLOCATED	8,840	(5,476)	3,364		3,364	(2,043)
TOTAL FUND BALANCES	31,241	37,579	68,820	24,641	93,461	86,511
TOTAL LIABILITIES AND FUND BALANCES	$111,193	$ 64,067	$175,260	$ 26,524	$ 201,784	$ 213,155

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	UNRESTRICTED	RESTRICTED	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
REVENUES:				
TUITION AND FEES	$ 124,163		$ 124,163	$ 109,080
FEDERAL APPROPRIATIONS	16,170		16,170	16,184
LOCAL APPROPRIATIONS	1,015		1,015	998
FEDERAL GRANTS AND CONTRACTS	8,288	$ 84,116	92,404	75,710
STATE GRANTS AND CONTRACTS	484	8,558	9,042	9,179
LOCAL GRANTS AND CONTRACTS	1,583	2,064	3,647	3,856
PRIVATE GIFTS, GRANTS AND CONTRACTS	2,641	28,040	30,681	27,073
ENDOWMENT INCOME	55	3,003	3,058	2,448
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	22,312	18	22,330	17,552
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	191,248	2,558	193,806	176,643
OTHER SOURCES	21,025	72	21,097	22,023
TOTAL REVENUES	388,984	128,429	517,413	460,746
EXPENDITURES:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	239,452	73,075	312,527	289,030
RESEARCH	16,564	33,813	50,377	50,889
PUBLIC SERVICE	26,548	18,086	44,634	41,857
ACADEMIC SUPPORT	49,580	11,176	60,756	56,471
STUDENT SERVICES	38,381	6,211	44,592	39,557
INSTITUTIONAL SUPPORT	57,632	11,647	69,279	59,863
OPERATION AND MAINTENANCE OF PLANT	56,855	5,447	62,302	59,842
SCHOLARSHIPS AND FELLOWSHIPS	5,492	34,926	40,418	21,470
AUXILIARY ENTERPRISES AND HOSPITALS	167,349	2,585	169,934	156,090
TOTAL EXPENDITURES	657,853	196,966	854,819	775,069
EXCESS OF EXPENDITURES OVER REVENUES	(268,869)	(68,537)	(337,406)	(314,323)
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS):				
MANDATORY TRANSFERS FOR:				
RESTRICTED CURRENT	(128)	128		
LOAN FUND MATCHING AND ENDOWMENTS	(290)	107	(183)	(268)
RENEWALS AND REPLACEMENTS	(26)		(26)	(26)
PRINCIPAL AND INTEREST	(9,391)		(9,391)	(7,876)
NON-MANDATORY TRANSFERS FOR PLANT FUNDS	(12,018)	6	(12,012)	(11,082)
OPERATING TRANSFER FROM GENERAL FUND	296,316	68,537	364,853	342,589
TOTAL TRANSFERS	274,463	68,778	343,241	323,337
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		11,803	11,803	13,395
INDIRECT COSTS RECOVERED		(9,577)	(9,577)	(8,431)
REFUNDS TO GRANTORS		(553)	(553)	(551)
MISCELLANEOUS	(192)	(366)	(558)	(223)
TOTAL TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)	274,271	70,085	344,356	327,527
NET INCREASE IN FUND BALANCES	5,402	1,548	6,950	13,204
FUND BALANCES, JULY 1 (Note 2)	63,418	23,093	86,511	73,307
FUND BALANCES, JUNE 30	$ 68,820	$ 24,641	$ 93,461	$ 86,511

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FIDUCIARY FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	LOAN	ENDOWMENT AND SIMILAR	AGENCY	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 3,174	$ 5,974	$ 1,418	$ 10,566	$ 6,118
INVESTMENTS, at cost or amortized cost	96	39,089	3,506	42,691	36,192
ACCOUNTS RECEIVABLE	662	83	454	1,199	2,136
NOTES RECEIVABLE, net of allowance for uncollectibles of $4,926 in 1983 and $4,133 in 1982	36,402	1,342		37,744	38,559
INTERFUND RECEIVABLES		11	122	133	285
OTHER	27	1,159	11	1,197	2,181
TOTAL ASSETS	$ 40,361	$ 47,658	$ 5,511	$ 93,530	$ 85,471
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE			$ 264	$ 264	$ 516
INTERFUND PAYABLES	$ 21	$ 17	16	54	565
NOTES PAYABLE (Note 3)		16		16	16
AMOUNTS HELD IN CUSTODY FOR OTHERS			5,231	5,231	1,059
TOTAL LIABILITIES	21	33	5,511	5,565	2,156
FUND BALANCES (Note 1):					
U. S. GOVERNMENT GRANTS REFUNDABLE	33,744			33,744	34,790
INSTITUTIONAL FUNDS - RESTRICTED	6,568			6,568	6,229
ENDOWMENT		31,381		31,381	27,460
TERM ENDOWMENT					45
LIFE INCOME		12,824		12,824	11,825
INSTITUTIONAL FUNDS - UNRESTRICTED	28			28	31
QUASI - ENDOWMENT		3,420		3,420	2,935
TOTAL FUND BALANCES	40,340	47,625		87,965	83,315
TOTAL LIABILITIES AND FUND BALANCES	$ 40,361	$ 47,658	$ 5,511	$ 93,530	$ 85,471

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	LOAN	ENDOWMENT AND SIMILAR	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
REVENUES AND OTHER ADDITIONS:				
FEDERAL GRANTS AND CONTRACTS	$ 1,474		$ 1,474	$ 1,629
STATE GRANTS AND CONTRACTS				28
PRIVATE GIFTS AND GRANTS	151	$ 3,121	3,272	2,554
INVESTMENT AND INTEREST INCOME	913	3,007	3,920	2,289
OTHER ADDITIONS	269	8	277	416
TOTAL REVENUES AND OTHER ADDITIONS	2,807	6,136	8,943	6,916
EXPENDITURES AND OTHER DEDUCTIONS:				
ADMINISTRATIVE COSTS	222		222	237
LOAN CANCELLATIONS	3,193		3,193	786
REFUNDS TO GRANTORS	31		31	28
PAYMENTS TO BENEFICIARIES		786	786	738
OTHER DEDUCTIONS	253	8	261	203
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	3,699	794	4,493	1,992
TRANSFER AMONG FUNDS - ADDITIONS	182	18	200	381
NET INCREASE (DECREASE) IN FUND BALANCES	(710)	5,360	4,650	5,305
FUND BALANCES, JULY 1	41,050	42,265	83,315	78,010
FUND BALANCES, JUNE 30	$ 40,340	$ 47,625	$ 87,965	$ 83,315

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
JUNE 30, 1983

(Expressed in Thousands)

ASSETS	UNEXPENDED	RENEWAL AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS JUNE 30, 1983	TOTALS JUNE 30, 1982
CASH AND CASH EQUIVALENTS	$ 34,746	$ 10,425	$ 14,549		$ 59,720	$ 22,818
CASH ON DEPOSIT WITH FISCAL AGENTS	3,806	1,167	25,626		30,599	16,726
INVESTMENTS, at cost or amortized cost	223				223	3,376
ACCOUNTS RECEIVABLE	502	17	42		561	412
INTERFUND RECEIVABLES	5,702	4,773	457		10,932	24,076
LAND, at cost				$ 47,925	47,925	48,288
BUILDING, at cost				885,152	885,152	835,083
IMPROVEMENTS OTHER THAN BUILDINGS, at cost				61,080	61,080	46,905
EQUIPMENT, at cost				187,422	187,422	178,325
LIBRARY BOOKS (Note 1)				132,135	132,135	122,771
LIVESTOCK, at market				2,125	2,125	2,219
CONSTRUCTION IN PROGRESS, at cost				25,573	25,573	32,225
OTHER ASSETS	6			626	632	143
TOTAL ASSETS	$ 44,985	$ 16,382	$ 40,674	$ 1,342,038	$ 1,444,079	$ 1,333,367
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
ACCOUNTS PAYABLE	$ 2,309	$ 46			$ 2,355	$ 4,035
INTERFUND PAYABLES	15	50		30	95	152
NOTES PAYABLE (Note 3)		722		1,366	2,088	37,533
BONDS PAYABLE (Note 3)				243,881	243,881	172,924
LEASE OBLIGATIONS PAYABLE (Note 3)				16,192	16,192	
TOTAL LIABILITIES	2,324	818		261,469	264,611	214,644
FUND EQUITY:						
NET INVESTMENT IN PLANT				1,080,569	1,080,569	1,055,308
FUND BALANCES (Note 1):						
RESTRICTED	20,254	1,880	$ 24,970		47,104	27,072
UNRESTRICTED	22,407	13,684	15,704		51,795	36,343
TOTAL FUND EQUITY	42,661	15,564	40,674	1,080,569	1,179,468	1,118,723
TOTAL LIABILITIES AND FUND EQUITY	$ 44,985	$ 16,382	$ 40,674	$ 1,342,038	$ 1,444,079	$ 1,333,367

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

	UNEXPENDED	RENEWAL AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	ELIMINATIONS	TOTALS FOR THE YEAR ENDED JUNE 30, 1983	TOTALS FOR THE YEAR ENDED JUNE 30, 1982
REVENUES AND OTHER ADDITIONS:							
STUDENT DEBT SERVICE FEES			$ 4,306			$ 4,306	$ 4,299
FEDERAL GRANTS	$ 451		386	$ 1,385		2,222	1,547
STATE APPROPRIATIONS AND CONTRACTS	31,796		10,533		$ (42,329)		
PRIVATE GIFTS AND CONTRACTS	11,164	$ 113	1,704	67		13,048	8,597
INTEREST INCOME	820	672	3,815			5,307	5,117
EQUIPMENT USE CHARGES		1,929				1,929	
CAPITALIZED EXPENDITURES				96,823	(55,938)	40,885	29,955
RETIREMENT OF INDEBTEDNESS				8,255	(8,255)		
LIBRARY BOOK REVALUATION							58,590
OTHER	1,164	287	130	1,040		2,621	1,709
TOTAL REVENUES AND OTHER ADDITIONS	45,395	3,001	20,874	107,570	(106,522)	70,318	109,814
EXPENDITURES AND OTHER DEDUCTIONS:							
EXPENDED FOR PLANT FACILITIES	51,327	4,611			(55,938)		
RETIREMENT OF INDEBTEDNESS			8,255		(8,255)		
INTEREST PAYMENTS			11,442			11,442	11,212
DISPOSAL OF PLANT FACILITIES				39,980		39,980	4,128
BONDS AND NOTES ISSUED				42,329	(42,329)		
OTHER	531	31	27			589	1,921
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	51,858	4,642	19,724	82,309	(106,522)	52,011	17,261
TRANSFERS AMONG FUNDS - ADDITIONS	26,193	8,108	8,137			42,438	44,610
NET INCREASE IN FUND EQUITY	19,730	6,467	9,287	25,261		60,745	137,163
FUND EQUITY, JULY 1	22,931	9,097	31,387	1,055,308		1,118,723	981,560
FUND EQUITY, JUNE 30	$ 42,661	$ 15,564	$ 40,674	$ 1,080,569	$ -	$ 1,179,468	$ 1,118,723

See accompanying Notes to the Financial Statements.

Statistical And Economic Data

The Statistical Data are presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic Data are presented to allow a broader understanding of the economic and social environment in which State government operates.

TABLE I

STATE OF TENNESSEE
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

SOURCE	FOR THE YEAR ENDED JUNE 30									
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
TAXES	$ 969,680	$1,021,278	$1,137,469	$1,370,729	$1,553,452	$1,680,202	$1,729,897	$1,800,431	$1,959,263	$2,047,603
LICENSES, FEES AND PERMITS	22,801	24,003	27,042	29,095	33,688	35,602	38,260	40,359	45,283	47,601
INTEREST ON INVESTMENTS	28,165	38,250	26,478	23,669	29,116	52,994	72,354	60,975	71,243	62,981
FEDERAL	442,782	542,773	664,417	712,770	812,669	925,536	1,104,412	1,174,990	1,039,894	1,065,368
DEPARTMENTAL SERVICES	84,203	102,630	114,423	131,167	139,126	138,246	168,282	179,939	194,046	202,818
OTHER	4,192	1,429	3,040	4,503	5,580	5,246	10,083	7,817	13,234	10,148
TOTAL REVENUES-ALL GOVERNMENTAL FUND TYPES	$1,551,823	$1,730,363	$1,972,869	$2,271,933	$2,573,631	$2,837,826	$3,123,288	$3,264,511	$3,322,963	$3,436,519

NOTE: Certain amounts in the above table for all fiscal years have been restated to reflect accounting changes more fully described in Note 2D. to the financial statements.

TABLE II

STATE OF TENNESSEE
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

FUNCTION	FOR THE YEAR ENDED JUNE 30									
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
GENERAL GOVERNMENT	$ 67,319	$ 83,033	$ 86,741	$ 141,814	$ 142,727	$ 134,539	$ 174,117	$ 179,184	$ 153,618	$ 134,967
EDUCATION	475,046	561,447	601,645	640,863	721,100	823,474	916,165	964,925	981,371	990,727
HEALTH AND SOCIAL SERVICES	396,590	458,875	541,871	609,235	750,400	825,890	959,620	1,028,512	1,035,710	1,105,524
LAW, JUSTICE AND PUBLIC SAFETY	62,337	72,563	82,143	99,592	115,607	128,982	145,516	162,715	176,964	193,465
RECREATION AND RESOURCES DEVELOPMENT	33,765	38,763	39,662	44,994	53,427	56,941	64,538	68,366	71,031	77,847
REGULATION OF BUSINESS AND PROFESSIONS	6,536	7,255	7,920	9,900	11,786	12,722	13,808	14,245	15,330	16,643
TRANSPORTATION	263,445	315,726	386,838	329,844	311,769	392,202	479,599	447,850	429,587	427,695
DEBT SERVICE	40,747	47,037	56,518	76,566	80,748	80,873	78,104	80,774	85,487	91,596
CAPITAL OUTLAY	32,422	61,582	114,755	83,314	59,653	56,681	58,554	52,954	41,280	25,580
TOTAL EXPENDITURES-ALL GOVERNMENTAL FUND TYPES	$1,378,207	$1,646,281	$1,918,093	$2,036,122	$2,247,217	$2,512,304	$2,890,021	$2,999,525	$2,990,378	$3,064,039

NOTE: Certain amounts in the above table for all fiscal years have been restated to reflect accounting changes more fully described in Note 2D. to the financial statements.

TABLE III

STATE OF TENNESSEE
TAX REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30									
TAX REVENUES	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
SALES AND USE	$ 415,339	$ 440,671	$ 516,214	$ 690,079	$ 785,143	$ 886,515	$ 924,007	$ 981,106	$1,050,605	$1,106,186
GASOLINE	88,008	88,110	92,302	96,153	99,101	103,003	94,167	90,511	115,758	115,398
MOTOR FUEL	13,633	12,669	14,363	16,271	18,104	20,005	19,646	20,516	30,923	31,869
GASOLINE INSPECTION	29,726	29,924	30,597	22,202	23,398	23,961	20,062	18,693	17,838	18,244
MOTOR VEHICLE REGISTRATION	73,503	73,440	77,906	85,809	84,301	89,894	90,761	89,785	105,635	104,607
INCOME	11,719	13,138	15,759	15,791	17,368	18,181	21,403	24,613	30,345	35,521
PRIVILEGE	14,331	12,895	17,099	21,218	25,385	28,407	28,473	28,291	26,445	29,072
GROSS RECEIPTS	24,396	30,056	37,820	38,463	66,581	71,616	77,051	89,032	99,242	105,787
ALCOHOLIC BEVERAGE	19,063	19,768	20,802	21,294	22,249	22,745	23,217	23,249	23,972	24,106
FRANCHISE	27,316	29,826	31,267	32,249	37,749	41,001	43,938	45,705	49,511	56,741
EXCISE	112,974	126,715	128,621	156,042	170,848	186,089	198,222	193,365	206,535	202,558
INHERITANCE AND ESTATE	29,611	27,538	30,683	41,247	57,588	37,493	28,307	26,674	28,639	36,208
TOBACCO	61,248	62,820	65,896	67,829	70,767	72,029	73,819	77,058	78,442	78,338
INSURANCE COMPANIES PREMIUM	31,816	34,483	37,657	43,525	50,033	55,444	60,006	62,143	63,927	67,345
OTHER	16,997	19,225	20,483	22,557	24,837	23,819	26,818	29,690	31,446	35,623
TOTAL TAX REVENUES-ALL GOVERNMENTAL FUND TYPES	$ 969,680	$1,021,278	$1,137,469	$1,370,729	$1,553,452	$1,680,202	$1,729,897	$1,800,431	$1,959,263	$2,047,603

NOTE: Certain amounts in the above table for all fiscal years have been restated to reflect accounting changes more fully described in Note 2D. to the financial statements.

STATE OF TENNESSEE
DESCRIPTION OF TAX SOURCES
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 1983

Presented below is a brief description of the state's principal tax sources as shown in the preceding table. Since portions of some of these taxes are ultimately distributed to local governments, the preceding table reflects only those tax collections retained for state purposes.

SALES AND USE TAX - The retail sales and use tax, imposed in 1947, has become the state's leading source of revenue. From enactment until 1955, the general sales tax rate was 2%. In 1955 the rate became 3% and was temporarily changed to 3.5% in 1971. Effective April 1, 1976, the rate was again temporarily raised to 4.5%. These temporary rate increases were extended annually until, effective May 20, 1983, the 4.5% rate was made permanent. The tax is applied to the sale, use, consumption, distribution, lease or rental of tangible personal property. Certain services, including charges for transient accommodations, storage and parking, and telephone service for regular subscribers are also subject to sales tax. Utilities and anti-pollution equipment are taxed at rates ranging from 1% to 1.5%. Political subdivisions, governmental agencies, charitable and religious groups, non-profit organizations and certain items of tangible personal property including drugs are exempt.

GASOLINE TAX - The gasoline tax was first enacted in 1923. The tax is levied at the rate of 9¢ on each gallon of gasoline or distillate refined, manufactured, sold, stored or distributed in Tennessee, as well as gasoline or distillate imported into the state. Refunds are granted on gasoline used for agricultural purposes, while political subdivisions and governmental agencies are exempt.

MOTOR FUEL TAX - The motor fuel tax was enacted in 1941. The tax is imposed at the rate of 12¢ per gallon on the sale of diesel fuel and 8¢ per gallon on liquified petroleum gas used to propel vehicles on the public highways. Exemptions applicable to the gasoline tax are also generally applicable to the motor fuel tax.

GASOLINE INSPECTION FEE - The gasoline inspection fee was first enacted in 1899 for the purpose of assuring that gasoline and oil sold in the state met certain minimum standards. Currently, the rate is 1¢ per gallon on volatile substances having certain gravity level which are produced from petroleum, natural gas, oil shales or coal.

MOTOR VEHICLE REGISTRATION FEES - Since 1905 a fee has been charged for the registration of all motor vehicles. Vehicles for personal use are charged $17.75. The fee for motorcycles is $8.75. Motor freight vehicles are charged fees ranging from $37.50 to $1,300.

INCOME TAX - Although Tennessee does not levy a general personal income tax, income derived from dividends and interest on stocks and bonds has been subject to tax since 1929. The tax rate is 6% on dividends from stocks and interest on bonds, except that the rate is only 4% on dividends from companies having more than 75% of their corporate property within the state. Blind persons, pension trusts, profit-sharing trusts and qualifying persons 65 years of age or older are exempt from the tax.

PRIVILEGE TAX - The first state privilege tax in Tennessee was levied in 1799. During the ensuing 150 years, 132 business activities were made subject to the tax. Virtually all of these business-related privilege taxes were abolished in 1971 and re-enacted as part of other taxes. Currently, the privilege tax base is provided from litigation taxes, realty transfer and mortgage taxes.

GROSS RECEIPTS TAXES - There have been numerous additions, deletions and alterations in the group of taxable privileges comprising the gross receipts tax since it was first imposed in 1937. Currently, the tax covers bottlers, mixing bars, utilities, theaters, firearms and vending machines. TVA payments "in lieu of taxes" based on power sales in Tennessee make up 70% of collections.

ALCOHOLIC BEVERAGE TAX - The alcoholic beverage tax was enacted in 1939, authorizing the sale of alcoholic beverages in counties and municipalities in Tennessee if approved by local referendum. It provided for a system of state licensing fees and established a gallonage tax on wines and liquors sold in the state. Currently, the tax is levied at the rate of $4.00 per gallon on distilled spirits and $1.10 per gallon on wines, with additional fees for regulatory purposes and for the issuance of licenses and permits.

FRANCHISE TAX - The franchise tax, first collected in 1937, imposes an annual tax for the privilege of engaging in corporate form in the state. The tax is levied at the rate of $1.50 per $1,000 of corporate stock, surplus and undivided profits of domestic and foreign corporations operating in Tennessee.

EXCISE TAX - The excise tax originated in 1923 and has always been a major revenue source. The tax is presently applied at the rate of 6% of annual net earnings from business done in Tennessee by all corporations, co-operatives conducted for profit, joint stock associations, business trusts, state banks, national banks and savings and loan associations. Formulas are used for determining the appropriate tax for corporations doing business in Tennessee as well as other states.

INHERITANCE, ESTATE AND GIFT TAXES - The inheritance tax was first enacted in 1891. Originally the tax was applicable only to property going to collateral heirs, but was extended to direct heirs in 1909. The rate and base are divided into two different classes and apply to all property, real and personal, with certain exemptions applicable to each class. During the 1978 session of the General Assembly extensive changes were made in the inheritance, estate and gift tax statutes (Chapter 731, Public Acts, 1978). These changes have resulted in substantial decreases in collections.

TOBACCO TAXES - Tobacco taxes were first levied in 1925. The present tax equates to 13¢ per pack of 20 cigarettes and 6% of the wholesale cost for all other tobacco products.

INSURANCE COMPANY PREMIUM TAX - This tax, first enacted in 1945, is applied to gross premiums paid by or for policyholders residing in this state or on property located in the state. The rate is 1.75% for domestic life insurance companies and 2% for all others.

STATE OF TENNESSEE
RATIO OF NET GENERAL LONG-TERM DEBT TO
ASSESSED VALUE AND NET DEBT PER CAPITA
FOR THE LAST TEN YEARS

(Expressed in Thousands except Ratio and Per Capita Data)

FOR THE YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	GENERAL LONG-TERM DEBT TOTAL (NOTE)	GENERAL LONG-TERM DEBT LESS DEBT SERVICE FUND	GENERAL LONG-TERM DEBT NET	NET GENERAL LONG-TERM DEBT RATIO TO ASSESSED VALUE	NET GENERAL LONG-TERM DEBT PER CAPITA
1974	4,202	$ 9,978,200	$407,780	$ 2,001	$405,779	4.07%	$ 96.57
1975	4,261	10,883,800	529,470	607	528,863	4.86	124.12
1976	4,329	11,380,700	642,960	1,115	641,845	5.64	148.27
1977	4,402	11,904,000	639,750	3,805	635,945	5.34	144.47
1978	4,462	12,739,400	698,940	1,800	697,140	5.47	156.24
1979	4,533	13,591,900	650,730	2,461	648,269	4.77	143.01
1980	4,602	16,647,800	603,020	2,821	600,199	3.61	130.42
1981	4,612	17,350,600	590,195	2,897	587,298	3.38	127.34
1982	4,633	18,642,000	539,070	2,436	536,634	2.88	115.83
1983	**4,665**	**20,000,000 (EST.)**	**583,445**	**2,143**	**581,302**	**2.91**	**124.61**

NOTE: Total General Long-Term Debt does not include State Loan Program Fund General Obligation Notes and Bonds as follows:

YEAR	NOTES	BONDS
1974	$28,000	
1975	40,000	
1976	69,800	
1977	95,000	$52,095
1978	43,375	50,905
1979	65,000	49,650
1980	44,000	48,330
1981	49,490	79,995
1982		78,270
1983		76,205

These obligations are reported as debt of that enterprise in the accompanying financial statements.

TABLE V

STATE OF TENNESSEE
COMPUTATION OF LEGAL DEBT SERVICE MARGIN
JUNE 30, 1983

(Expressed in Thousands)

LEGAL DEBT SERVICE LIMIT (1983 PLEDGED REVENUES OF $250,595 ÷ 150%)	$167,063
LESS - 1983 DEBT SERVICE REQUIRED ON ALL GENERAL LONG-TERM DEBT, INCLUDING STATE LOAN PROGRAM FUND GENERAL OBLIGATION BONDS	(98,210)
LEGAL DEBT SERVICE MARGIN	**$ 68,853**

	PORTION PLEDGED	COLLECTIONS FOR FISCAL YEAR 1983 ALL GOVERNMENTAL FUND TYPES	LOCAL GOVERNMENT FUND	TOTAL	PLEDGED PER CENT	PLEDGED AMOUNT
CALCULATION OF 1983 PLEDGED REVENUES, AS ABOVE:						
GASOLINE TAX	5¢ of the 9¢ tax per gallon	$ 115,398	$ 84,922	$ 200,320	55.5%	$ 111,289
GASOLINE INSPECTION FEE	All	18,244	12,017	30,261	100.0	30,261
MOTOR VEHICLE REGISTRATION FEE	One-half	104,607		104,607	50.0	52,304
FRANCHISE TAX	All	56,741		56,741	100.0	56,741
TOTALS		**$ 294,990**	**$ 96,939**	**$ 391,929**		**$ 250,595**

NOTE: Pledged revenues for the last five years are shown below:

FISCAL YEAR	PLEDGED REVENUES	PER CENT INCREASE (DECREASE)
1979	$249,640	4.8%
1980	238,206	(4.6)
1981	233,580	(1.9)
1982	243,944	4.4
1983	250,595	2.7

TABLE VI

STATE OF TENNESSEE
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL
LONG-TERM DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except Ratio Data)

FOR THE YEAR ENDED JUNE 30	DEBT SERVICE	TOTAL EXPENDITURES	RATIO
1974	$40,747	$1,378,207	2.96%
1975	47,037	1,646,281	2.86
1976	56,518	1,918,093	2.95
1977	76,566	2,036,122	3.76
1978	80,748	2,247,217	3.59
1979	80,873	2,512,304	3.22
1980	78,104	2,890,021	2.70
1981	80,774	2,999,525	2.69
1982	85,487	2,990,378	2.86
1983	**91,596**	**3,064,039**	**2.99**

TABLE VII

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
TENNESSEE HOUSING DEVELOPMENT AGENCY FUNDS
SINCE INCEPTION IN 1975

(Expressed in Thousands except Coverage)

FOR THE YEAR ENDED JUNE 30	DEDICATED REVENUES	RELATED EXPENSES	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS	COVERAGE (NOTE)
1975	$ 1,510	$ 39	$ 1,471	$ 1,279	1.15
1976	4,582	178	4,404	4,340	1.01
1977	7,893	278	7,615	7,233	1.05
1978	13,104	712	12,392	11,825	1.05
1979	24,339	928	23,411	20,177	1.16
1980	32,289	1,123	31,166	26,548	1.17
1981	42,335	1,478	40,857	38,609	1.06
1982	45,141	1,600	43,541	44,424	.98
1983	**63,336**	**1,805**	**61,531**	**65,174**	**.94**

NOTE: Under THDA's series bond resolutions, scheduled amounts of anticipated mortgage loan prepayments are used each year to pay a portion of maturing bond principal. Accordingly, in addition to the net revenue available for debt service shown above, THDA applied some $5.6 million in prepayments against fiscal year 1983's debt service requirements.

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
COLLEGE AND UNIVERSITY FUNDS
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except Coverage)

		DEBT SERVICE REQUIREMENTS			
FOR THE YEAR ENDED JUNE 30	FEES AND CHARGES	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER THAN AUTHORITY	TOTAL	COVERAGE
1974	$ 102,054	$ 7,648	$1,672	$ 9,320	11.0
1975	115,347	7,648	1,683	9,331	12.4
1976	132,371	7,648	1,378	9,026	14.7
1977	144,728	12,769	1,297	14,066	10.3
1978	155,927	12,939	1,342	14,281	10.9
1979	174,513	13,109	1,261	14,370	12.1
1980	193,954	13,013	2,038	15,051	12.9
1981	229,638	13,014	1,451	14,465	15.9
1982	262,407	13,009	1,435	14,444	18.2
1983	**290,454**	**12,526**	**1,349**	**13,875**	**20.9**

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS
JUNE 30, 1983

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL LONG-TERM DEBT			STATE LOAN PROGRAM FUND DEBT		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1984	$ 52,625	$ 31,503	$ 84,128	$ 2,275	$ 4,476	$ 6,751
1985	50,125	28,832	78,957	2,390	4,354	6,744
1986	50,125	26,297	76,422	2,515	4,225	6,740
1987	50,125	23,769	73,894	2,655	4,089	6,744
1988	48,565	21,204	69,769	2,805	3,945	6,750
1989	45,815	18,704	64,519	2,975	3,792	6,767
1990	45,815	16,286	62,101	3,050	3,629	6,679
1991	43,165	13,947	57,112	3,195	3,461	6,656
1992	38,365	11,680	50,045	3,355	3,285	6,640
1993	31,955	9,729	41,684	3,550	3,100	6,650
1994	31,955	7,928	39,883	3,715	2,903	6,618
1995	28,955	6,211	35,166	3,900	2,695	6,595
1996	23,455	4,583	28,038	3,775	2,474	6,249
1997	11,655	3,290	14,945	3,015	2,256	5,271
1998	6,915	2,513	9,428	3,070	2,079	5,149
1999	6,915	1,956	8,871	3,270	1,896	5,166
2000	6,915	1,398	8,313	3,465	1,700	5,165
2001	5,000	838	5,838	3,335	1,490	4,825
2002	5,000	419	5,419	3,530	1,293	4,823
2003				3,120	1,082	4,202
2004				3,310	891	4,201
2005				3,195	688	3,883
2006				1,930	488	2,418
2007				1,090	361	1,451
2008				1,160	279	1,439
2009				1,235	192	1,427
2010				1,325	99	1,424
TOTALS	$ 583,445	$ 231,087	$814,532	$ 76,205	$ 61,222	$137,427

TABLE IX

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS
JUNE 30, 1983

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	TENNESSEE HOUSING DEVELOPMENT AGENCY DEBT			COLLEGE AND UNIVERSITY DEBT (NOTE)		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1984	$ 13,315	$ 55,119	$ 68,434	$ 5,172	$ 15,927	$ 21,099
1985	15,550	54,326	69,876	5,980	15,606	21,586
1986	17,160	53,360	70,520	6,287	15,298	21,585
1987	18,875	52,228	71,103	6,884	14,363	21,247
1988	19,690	50,946	70,636	7,120	14,030	21,150
1989	20,710	49,525	70,235	7,478	13,675	21,153
1990	21,710	47,950	69,660	7,858	13,298	21,156
1991	23,130	46,195	69,325	8,230	12,901	21,131
1992	26,045	44,188	70,233	8,647	12,479	21,126
1993	27,565	41,931	69,496	8,894	12,030	20,924
1994	27,640	39,492	67,132	9,308	11,559	20,867
1995	28,940	36,848	65,788	9,791	11,057	20,848
1996	30,490	33,949	64,439	10,278	10,524	20,802
1997	32,475	30,786	63,261	10,535	9,953	20,488
1998	36,245	27,279	63,524	10,907	9,361	20,268
1999	38,340	23,417	61,757	11,452	8,718	20,170
2000	36,005	19,560	55,565	11,909	8,040	19,949
2001	18,120	16,992	35,112	10,180	7,320	17,500
2002	18,740	15,530	34,270	12,394	6,684	19,078
2003	18,800	14,032	32,832	9,664	5,924	15,588
2004	20,250	12,474	32,724	10,237	5,291	15,528
2005	18,145	10,939	29,084	10,824	4,611	15,435
2006	19,365	9,433	28,798	8,976	3,890	12,866
2007	18,050	7,927	25,977	6,082	3,252	9,334
2008	17,295	6,497	23,792	5,597	2,762	8,359
2009	14,540	5,184	19,724	6,077	2,269	8,346
2010	13,475	3,991	17,466	6,572	1,733	8,305
2011	11,550	2,890	14,440	6,523	1,146	7,669
2012	9,960	1,911	11,871	5,895	567	6,462
2013	5,355	1,180	6,535			
2014	4,185	690	4,875			
2015	1,880	411	2,291			
2016	2,005	288	2,293			
2017	2,565	144	2,709			
2018	980	31	1,011			
TOTALS	$ 649,145	$ 817,643	$ 1,466,788	$ 245,751	$ 254,268	$ 500,019

NOTE: College and University refunded debt totaling $51,115 has been replaced in the above table by refunding debt of $52,985, thereby giving effect to the crossover advance refunding which will be consummated in 1986.

TABLE X

STATE OF TENNESSEE
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
JUNE 30, 1983

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS		REVENUE BONDS		TOTAL REQUIREMENTS
	GENERAL LONG-TERM DEBT	STATE LOAN PROGRAM FUND DEBT	TENNESSEE HOUSING DEVELOPMENT AGENCY DEBT	COLLEGE AND UNIVERSITY DEBT	
1984	$ 84,128	$ 6,751	$ 68,434	$ 21,099	$ 180,412
1985	78,957	6,744	69,876	21,586	177,163
1986	76,422	6,740	70,520	21,585	175,267
1987	73,894	6,744	71,103	21,247	172,988
1988	69,769	6,750	70,636	21,150	168,305
1989	64,519	6,767	70,235	21,153	162,674
1990	62,101	6,679	69,660	21,156	159,596
1991	57,112	6,656	69,325	21,131	154,224
1992	50,045	6,640	70,233	21,126	148,044
1993	41,684	6,650	69,496	20,924	138,754
1994	39,883	6,618	67,132	20,867	134,500
1995	35,166	6,595	65,788	20,848	128,397
1996	28,038	6,249	64,439	20,802	119,528
1997	14,945	5,271	63,261	20,488	103,965
1998	9,428	5,149	63,524	20,268	98,369
1999	8,871	5,166	61,757	20,170	95,964
2000	8,313	5,165	55,565	19,949	88,992
2001	5,838	4,825	35,112	17,500	63,275
2002	5,419	4,823	34,270	19,078	63,590
2003		4,202	32,832	15,588	52,622
2004		4,201	32,724	15,528	52,453
2005		3,883	29,084	15,435	48,402
2006		2,418	28,798	12,866	44,082
2007		1,451	25,977	9,334	36,762
2008		1,439	23,792	8,359	33,590
2009		1,427	19,724	8,346	29,497
2010		1,424	17,466	8,305	27,195
2011			14,440	7,669	22,109
2012			11,871	6,462	18,333
2013			6,535		6,535
2014			4,875		4,875
2015			2,291		2,291
2016			2,293		2,293
2017			2,709		2,709
2018			1,911		1,911
TOTALS	$ 814,532	$137,427	$1,466,788	$ 500,019	$ 2,918,766

TABLE XI

STATE OF TENNESSEE
STATEMENT OF OUTSTANDING DEBT
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE LAST FIVE FISCAL YEARS

(Expressed in Thousands)

	JUNE 30				
	1979	1980	1981	1982	1983
CAPITAL PROJECTS FUND -					
BOND ANTICIPATION NOTES				$ 146,300	$ 46,140
ENTERPRISE FUNDS:					
LOCAL DEVELOPMENT AUTHORITY NOTES	$ 65,000	$ 44,000	$ 49,490	90,675	92,250
STATE LOAN PROGRAM BONDS	49,650	48,330	79,895	78,270	78,205
TENNESSEE HOUSING DEVELOPMENT AGENCY NOTES	15,109	2,671	240		
TENNESSEE HOUSING DEVELOPMENT AGENCY BONDS	311,470	413,180	469,690	510,260	649,145
	441,229	508,181	599,415	679,205	817,600
INTERNAL SERVICE FUNDS:					
INFORMATION SYSTEM SERVICES NOTES					1,522
INSTITUTIONAL FARMS NOTES	236	125	102		
TENNESSEE STATE SCHOOL BOND AUTHORITY NOTES	634				58,710
TENNESSEE STATE SCHOOL BOND AUTHORITY BONDS	110,990	110,990	110,990	52,985	52,985
TENNESSEE STATE SCHOOL BOND AUTHORITY CALL PREMIUMS	3,867	3,867	1,533	1,533	1,533
	115,727	114,982	112,625	54,518	114,750
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP - BONDS	650,730	603,020	590,195	539,070	583,445
COLLEGE AND UNIVERSITY FUNDS:					
ENDOWMENT FUND NOTES	48	32	16	16	16
PLANT FUND NOTES	1,913	16,705	37,578	37,533	2,088
PLANT FUND BONDS	186,352	181,804	177,623	172,924	243,881
	188,313	198,541	215,217	210,473	245,985
TOTALS	$ 1,395,999	$ 1,424,724	$ 1,517,452	$ 1,629,566	$ 1,807,920

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*

TENNESSEE'S ECONOMIC GROWTH

The existence of opposing trends at the national level precluded expectations that 1983 would be an outstanding growth year for Tennessee. Nominal positive real growth did occur, however, and this is expected to be followed by significantly greater growth in 1984. Tennessee's gross state product as a percentage of gross national product decreased from 1.84% to 1.78% during the 1974-1983 period. During the same period, Tennessee's personal income decreased from 1.61% to 1.60% of the national total. While growth in Tennessee has lagged that of the nation in recent years, it is expected to achieve the national level by mid-decade.

(Expressed in Millions)

YEAR	GROSS STATE PRODUCT	PERSONAL INCOME	DISPOSABLE PERSONAL INCOME
1974	$ 26,011	$ 18,793	$ 16,814
1975	27,139	20,304	18,356
1976	30,609	22,672	20,446
1977	34,885	25,155	22,523
1978	39,629	28,542	25,558
1979	43,629	31,983	28,688
1980	46,028	35,031	31,256
1981	51,149	38,957	34,559
1982	53,193	41,280	36,321
1983	57,574	44,591	39,219

	TENNESSEE GROSS STATE PRODUCT BY SECTOR (Expressed in Millions)			SECTOR AS PERCENTAGE OF 1983 TOTAL
	1973	1978	1983	
MANUFACTURING	$ 8,772	$14,046	$19,084	33.1%
CONSTRUCTION	1,095	1,680	2,634	4.6
MINING	162	396	958	1.7
TRADE	3,814	6,300	8,807	15.3
SERVICES	2,368	4,027	6,963	12.1
FINANCE, INSURANCE AND REAL ESTATE	2,779	4,654	6,702	11.6
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	1,672	3,072	4,682	8.1
FEDERAL GOVERNMENT	930	1,774	2,451	4.3
STATE AND LOCAL GOVERNMENT	1,574	2,794	4,159	7.2
AGRICULTURE	727	886	1,134	2.0
TOTAL GROSS STATE PRODUCT	$23,893	$39,629	$57,574	100.0%

	TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR			PERCENTAGE CHANGE (FROM 1973 TO 1983)
	1973	1978	1983	
MANUFACTURING	$ 7,616	$ 11,540	$ 17,264	126.7%
CONSTRUCTION	7,714	11,253	17,281	124.0
MINING	8,969	13,989	20,641	130.1
TRADE	6,295	8,755	12,826	103.7
SERVICES	6,408	9,230	13,781	115.1
FINANCE, INSURANCE AND REAL ESTATE	7,992	11,562	17,653	120.9
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	10,461	15,700	23,548	125.1
FEDERAL GOVERNMENT	12,046	17,803	23,555	95.5
STATE AND LOCAL GOVERNMENT	7,092	9,982	14,344	102.3
AGRICULTURE	2,465	4,196	7,223	193.0
ALL SECTORS	$ 7,336	$ 10,733	$ 15,761	114.8%

*Except as otherwise noted, the source for all economic information presented is the Tennessee Econometric Model developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville.

MANUFACTURING

Over the past decade, the manufacturing sector in Tennessee has fared quite well, both absolutely and relative to the nation as a whole. However, Tennessee manufacturing has recently suffered from the effects of the national recession. The state continues to be attractive to a variety of manufacturers as evidenced by the $761 million in announced capital investment in 1982. The combined new plant and expansion projects announced are expected to create 10,938 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT
(Expressed in Millions)

	1973	1978	1983	PERCENTAGE CHANGE (FROM 1973 TO 1983)
DURABLES:				
FURNITURE AND FIXTURES	$ 306	$ 407	$ 460	50.3%
FABRICATED METALS	533	922	1,148	115.4
NONELECTRICAL MACHINERY	690	1,195	1,617	134.3
ELECTRICAL MACHINERY	727	1,144	1,547	112.8
TRANSPORTATION EQUIPMENT	383	823	1,101	187.5
OTHER	1,218	1,833	2,311	89.7
TOTAL DURABLES	3,857	6,324	8,184	112.2
NONDURABLES:				
FOOD	796	1,410	2,004	151.8
TEXTILES	373	436	565	51.5
APPAREL	646	932	1,336	106.8
PAPER	432	651	964	123.1
PRINTING AND PUBLISHING	332	585	887	167.2
CHEMICALS	1,568	2,434	3,458	120.5
RUBBER AND PLASTICS	481	789	1,021	112.3
OTHER	287	485	665	131.7
TOTAL NONDURABLES	4,915	7,722	10,900	121.8
TOTALS	$ 8,772	$ 14,046	$ 19,084	117.6%

TENNESSEE MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

	1973	1978	1983	PERCENTAGE CHANGE (FROM 1973 TO 1983)
DURABLES:				
FURNITURE AND FIXTURES	28.3	26.1	21.8	(23.0)%
FABRICATED METALS	34.0	34.3	27.9	(17.9)
NONELECTRICAL MACHINERY	32.8	36.5	33.5	2.1
ELECTRICAL MACHINERY	41.9	41.2	41.3	(1.4)
TRANSPORTATION EQUIPMENT	22.2	25.0	22.0	(.9)
OTHER	72.2	75.1	66.1	(8.4)
TOTAL DURABLES	231.4	238.2	212.6	(8.1)
NONDURABLES:				
FOOD	38.0	40.1	38.5	1.3
TEXTILES	33.2	29.0	25.5	(23.2)
APPAREL	76.0	71.2	69.1	(9.1)
PAPER	17.5	17.4	18.4	5.1
PRINTING AND PUBLISHING	21.9	26.1	26.9	22.8
CHEMICALS	57.2	57.7	56.2	(1.7)
RUBBER AND PLASTICS	17.7	22.8	19.4	9.6
OTHER	26.5	23.5	18.8	(29.1)
TOTAL NONDURABLES	288.0	287.8	272.8	(5.3)
TOTALS	519.4	526.0	485.4	(6.5)%

INDUSTRIAL GROWTH IN TENNESSEE
NEW PLANTS AND EXPANSIONS

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
NUMBER:										
NEW	182	105	94	97	141	104	90	80	70	73
EXPANSIONS	239	146	138	194	195	136	151	129	158	137
	421	251	232	291	336	240	241	209	228	210
INVESTMENT (IN THOUSANDS):										
NEW	$ 278,937	$ 318,464	$ 160,463	$ 215,064	$ 177,555	$ 212,002	$ 238,945	$ 922,894	$ 119,147	$ 173,405
EXPANSIONS	347,327	293,647	135,146	255,787	397,536	367,874	353,274	853,470	463,731	587,578
	$ 626,264	$ 612,111	$ 295,609	$ 470,851	$ 575,091	$ 579,876	$ 592,219	$1,776,364	$ 582,878	$ 760,983
JOB OPPORTUNITIES:										
NEW	22,834	9,212	6,203	7,967	9,542	7,674	5,942	7,294	3,679	5,336
EXPANSIONS	17,689	7,399	5,285	8,868	8,927	6,750	8,922	5,460	9,253	5,602
	40,523	16,611	11,488	16,835	18,469	14,424	14,864	12,754	12,932	10,938

FIFTY LARGEST INDUSTRIAL EMPLOYERS

(Ranked by Number of Employees)

	COMPANY	NUMBER OF PLANTS	NUMBER OF EMPLOYEES		COMPANY	NUMBER OF PLANTS	NUMBER OF EMPLOYEES
1.	UNION CARBIDE CORPORATION	8	13,059	26.	STANWOOD CORPORATION	5	2,732
2.	EASTMAN KODAK COMPANY	2	12,950	27.	U. S. INDUSTRIES, INC.	5	2,653
3.	E. I. DUPONT, DENEMOURS & CO.	5	8,122	28.	BEATRICE FOODS COMPANY	13	2,643
4.	LEVI STRAUSS, INC.	11	5,971	29.	AVCO CORPORATION	1	2,500
5.	ARCATA NATIONAL CORPORATION	3	5,100	30.	INTERNATIONAL HARVESTER CO.	1	2,500
6.	ALUSUISSE	6	5,008	31.	MURRAY-OHIO MFG. CO.	1	2,500
7.	NORTH AMERICAN PHILIPS CORP.	4	4,700	32	UNITED STATES SHOE CORP.	3	2,482
8.	ALUMINUM CO. OF AMERICA	3	4,590	33.	BLUE BELL INC.	8	2,466
9.	GENESCO, INC.	18	4,573	34.	AEOLIAN CORPORATION	3	2,400
10.	FIRESTONE TIRE AND RUBBER CO.	4	4,464	35.	JIM WALTER CORP.	4	2,152
11.	GULF & WESTERN INDUSTRIES, INC.	21	4,413	36.	FORD MOTOR COMPANY	1	2,123
12.	WASHINGTON MFG. CO.	16	4,369	37.	TRW, INC.	4	2,061
13.	ITT	7	4,027	38.	NEWSPAPER PRINTING CORP.	1	2,000
14.	UNITED TECHNOLOGIES CORP.	8	3,946	39.	ROBERTSHAW CONTROLS CO.	3	1,960
15.	SALANT CORPORATION	9	3,792	40.	GOULD, INC.	3	1,958
16.	COMBUSTION ENGINEERING, INC.	2	3,710	41.	SCHERING-PLOUGH CORP.	2	1,880
17.	AKZONA, INC.	3	3,643	42.	E. W. SCRIPPS CO.	2	1,850
18.	NORTHWEST INDUSTRIES, INC.	10	3,542	43.	DART INDUSTRIES, INC.	2	1,750
19.	BURLINGTON INDUSTRIES, INC.	5	3,381	44.	ASG INDUSTRIES, INC.	2	1,746
20.	BROWN GROUP, INC.	10	3,207	45.	SPERRY CORPORATION	1	1,700
21.	HENRY I. SIEGEL COMPANY, INC.	7	3,155	46.	THE TRANE COMPANY	1	1,700
22.	RAYTHEON COMPANY	3	3,000	47.	SCOVILL, INC.	2	1,639
23.	GOODYEAR TIRE AND RUBBER CO.	1	2,800	48.	MCKEE BAKING COMPANY	3	1,625
24.	KELLWOOD COMPANY	10	2,778	49.	COLT INDUSTRIES, INC.	1	1,600
25.	GENERAL ELECTRIC COMPANY	5	2,755	50.	EATON CORPORATION	4	1,515

SOURCE: Tennessee Department of Economic and Community Development.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS
(Expressed in Millions)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
CROPS	$ 555.8	$ 505.8	$ 601.1	$ 707.1	$ 722.8	$ 842.1	$ 857.3	$ 996.9	$ 913.4	$ 934.2
MEAT ANIMALS	226.6	366.9	405.5	387.6	566.6	607.5	505.0	415.8	571.1	810.0
DAIRY PRODUCTS	156.1	168.8	193.8	206.3	214.7	244.1	287.3	307.8	326.4	346.3
POULTRY AND EGGS	76.2	75.4	81.1	90.9	90.0	102.6	108.4	115.1	121.3	127.2
TOTALS	$1,014.7	$1,116.9	$1,281.5	$1,391.9	$1,594.1	$1,796.3	$1,758.0	$1,835.6	$1,932.2	$2,017.7

POPULATION AND EMPLOYMENT TREND

The state's population has increased close to 1% per year with a shift in recent years to a net in-migration condition from one of a net out-migration.

(Expressed in Thousands except Unemployment Rates)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
POPULATION	4,202	4,261	4,329	4,402	4,462	4,533	4,602	4,612	4,633	4,665
LABOR FORCE	1,820	1,809	1,869	1,945	1,969	2,043	2,082	2,111	2,119	2,162
TOTAL EMPLOYMENT	1,728	1,658	1,757	1,822	1,856	1,924	1,930	1,919	1,876	1,922
UNEMPLOYMENT	92	151	112	123	113	119	152	192	243	240
TENNESSEE UNEMPLOYMENT RATE	5.1%	8.3%	6.0%	6.3%	5.7%	5.8%	7.3%	9.1%	11.5%	11.1%
U. S. UNEMPLOYMENT RATE	5.6%	8.5%	7.7%	7.1%	6.1%	5.8%	7.1%	7.6%	9.6%	10.2%

BANK DEPOSITS, INTERNAL REVENUE COLLECTIONS, RETAIL SALES AND EFFECTIVE BUYING INCOME

YEAR	(Expressed in Millions) BANK DEPOSITS	INDIVIDUAL IRS COLLECTIONS	RETAIL SALES	(Expressed in Thousands) EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1973	$ 11,691	$ 1,725	$ 9,640	$ 7.8
1974	12,287	1,979	10,797	9.7
1975	13,098	1,948	11,436	11.0
1976	14,249	2,226	12,748	11.6
1977	15,840	2,633	14,255	12.7
1978	17,141	2,984	15,712	13.4
1979	18,494	3,296	16,375	14.8
1980	19,798	3,775	17,373	15.8
1981	21,156	4,398	18,729	17.0
1982	23,708	4,959	19,870	19.0

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES VALUATION OF BUILDING PERMITS ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1973	$ 582,900	1978	$ 805,200
1974	331,800	1979	728,600
1975	310,900	1980	610,800
1976	444,200	1981	392,000
1977	642,700	1982	701,100

SOURCES: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Force Summary, Sales Management's Survey of Buying Power and U. S. Bureau of the Census Construction Reports.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

YEAR	POPULATION	ASSESSED VALUE	APPRAISED/ ESTIMATED CURRENT VALUE (NOTE)	PERSONAL INCOME	PER CAPITA INCOME
1974	4,202	$ 9,978,200	$ 31,755,700	$18,793,000	$ 4.5
1975	4,261	10,883,800	34,564,300	20,304,000	4.8
1976	4,329	11,380,700	36,232,800	22,672,000	5.2
1977	4,402	11,904,000	38,298,200	25,155,000	5.7
1978	4,462	12,739,400	40,260,500	28,542,000	6.4
1979	4,533	13,591,900	66,257,600	31,983,000	7.1
1980	4,602	16,647,800	72,767,700	35,031,000	7.6
1981	4,612	17,350,600	87,795,800	38,957,000	8.4
1982	4,633	18,642,000	90,992,300	41,280,000	8.9
1983	4,665	20,000,000 (EST.)	94,000,000 (EST.)	44,591,000	9.6

NOTE: State Law now requires the State Board of Equalization to determine and report "estimated current property value" instead of the previously published "appraised value." Estimated current property value calculations, shown in the above table since 1978, produce substantially larger amounts as they attempt to reflect current property values in advance of completion of the ongoing total reappraisal program.

PUBLIC SCHOOL ENROLLMENT GRADES K-12

ACADEMIC YEAR	GRADES K-3	GRADES 4-6	GRADES 7-9	GRADES 10-12	TOTAL ALL GRADES
1973-74	257,833	229,840	223,827	188,836	900,336
1974-75	261,738	227,519	225,269	182,780	897,306
1975-76	268,625	220,433	229,826	186,847	905,731
1976-77	277,579	210,359	234,306	186,042	908,286
1977-78	281,621	203,116	232,124	188,159	905,020
1978-79	280,357	202,414	224,585	190,173	897,529
1979-80	274,146	205,877	214,202	189,448	883,673
1980-81	268,985	214,658	210,485	192,554	886,682
1981-82	257,825	212,047	205,791	183,919	859,582
1982-83	255,674	203,906	208,712	177,527	845,719

PUBLIC HIGHER EDUCATION INSTITUTIONS
FULL-TIME EQUATED FALL ENROLLMENT

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
UNIVERSITIES:										
AUSTIN PEAY STATE	3,327	3,299	3,461	3,640	3,789	4,001	4,112	4,079	4,107	4,091
EAST TENNESSEE STATE	7,946	7,717	8,690	8,564	8,429	8,181	8,348	7,697	7,861	7,907
MEMPHIS STATE	15,345	16,095	16,669	15,939	15,836	15,683	15,495	15,195	15,007	15,524
MIDDLE TENNESSEE STATE	8,631	8,938	9,352	9,140	9,157	9,109	9,467	9,788	9,593	9,645
TENNESSEE STATE	4,033	4,347	4,633	4,943	4,525	4,889	6,473	6,588	6,091	6,128
TENNESSEE TECHNOLOGICAL	6,081	6,027	6,222	6,269	6,422	6,517	6,905	7,403	7,369	7,458
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	3,907	3,942	4,447	4,755	4,893	5,042	5,356	5,739	5,709	5,804
KNOXVILLE	23,631	24,754	26,407	25,997	26,412	25,371	25,725	25,662	24,402	22,991
MARTIN	4,702	4,708	4,854	4,874	4,665	4,652	4,828	5,005	5,153	5,129
NASHVILLE	2,179	2,328	2,544	2,586	2,558	2,418	*	*	*	*
TOTAL UNIVERSITIES	79,782	82,155	87,279	86,707	86,686	85,863	86,709	87,156	85,292	84,677
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH.	788	1,373	2,327	2,349	2,413	2,633	2,997	3,108	3,205	3,405
CLEVELAND STATE	1,658	1,693	2,059	1,919	1,911	1,920	1,806	2,113	1,856	2,039
COLUMBIA STATE	903	970	1,218	1,150	1,166	1,248	1,311	1,451	1,353	1,536
DYERSBURG STATE	614	645	764	664	665	626	671	684	884	1,039
JACKSON STATE	1,082	1,125	1,478	1,459	1,438	1,522	1,686	1,686	1,683	1,840
MOTLOW STATE	738	709	815	870	974	1,067	1,124	1,262	1,224	1,352
ROANE STATE	729	997	1,527	1,637	1,662	1,751	1,799	2,139	2,216	2,323
SHELBY STATE	1,552	2,300	3,057	3,301	3,137	3,071	3,260	3,443	2,997	3,184
VOLUNTEER STATE	1,067	1,190	1,683	1,663	1,658	1,578	1,857	2,078	2,038	2,048
WALTERS STATE	1,130	1,250	1,949	1,768	1,797	1,875	2,102	2,286	2,116	2,240
TOTAL COMMUNITY COLLEGES	10,261	12,252	16,877	16,780	16,821	17,291	18,613	20,250	19,572	21,006
TOTAL ALL INSTITUTIONS	90,043	94,407	104,156	103,487	103,507	103,154	105,322	107,406	104,864	105,683

*Effective July 1, 1979 the Nashville campus of the University of Tennessee was merged with Tennessee State University.

SOURCES: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.